

FBIS

DAILY REPORT

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JUDGE DISMISSES HUGUANG RAILWAY BONDS CASE

OW281040 Beijing XINHUA in English 1031 GMT 28 Oct 84

["U.S. District Judge Dismisses Lawsuit Against China" -- XINHUA headline]

[Text] Washington, October 27 (XINHUA) -- U.S. District Judge U.W. Clemon Friday dismissed a lawsuit involving the so-called Huguang Railways bearer bonds on the ground that he had no jurisdiction in the case, according to U.S. press reports.

The Huguang Railways bearer bonds were issued by China's Qing government in 1911. In 1979 nine American bondholders filed a suit against the People's Republic of China, demanding repayment of the principal and interest of the bonds. A U.S. District Court in Alabama made a "default judgement" in September 1982, demanding that the Chinese Government pay the plaintiffs more than 41.3 million U.S. dollars. The Chinese Government has on a number of occasions made it clear to the U.S. Government that it firmly rejects the unjustifiable judgement because China incontestably enjoys sovereign immunity, an important principle of international law.

The U.S. District Court set aside the judgement this year. After holding a hearing on September 15 on the question of whether a U.S. district judge has jurisdiction over a foreign government, Clemon decided to dismiss the lawsuit, it was reported. The case was brought under the Foreign Sovereign Immunities Act of 1976, but, as the bond transaction took place long before the act was passed, the statute gave him no power to decide the claims, the judge stated.

COMMENT ON LAST DAYS OF U.S. ELECTION CAMPAIGN

OW280818 Beijing XINHUA in English 0641 GMT 28 Oct 84

["Roundup: Last-Minute Dash of Race to White House (by Shi Lujia)" -- XINHUA headline]

[Text] Washington, October 27 (XINHUA) -- The U.S. presidential campaign has entered its final phase with Republican nominee Ronald Reagan and his Democratic challenger Walter Mondale engaged in the final round of wrestling.

As the balloting day of November 6 draws near, Mondale has turned to aim his thrust at Reagan's foreign and defense policies. He called Reagan "the most uninformed President in modern history" and said that Reagan "could not discuss any major issue without making a major mistake." Citing the bombings of the U.S. Embassy in Beirut and a Central Intelligence Agency manual that advises political assassination in Nicaragua, Mondale described Reagan as "a commander-in-chief who isn't commanding and who isn't a chief."

On defense issues and relations with the Soviet Union, Mondale said that Reagan hankered for "dangerous arms race" to the exclusion of talks with the Soviet Union, and thus had heightened the tension in U.S.-Soviet relations and made the country "less safe." At the same time, he projected his image as an intelligent and competent leader dedicated to peace, yet with no illusion about the Soviet adversary. Mondale appealed to the voters to "think it over" and make the right choice.

In return, Reagan reminded the voters of the economic crunch and the hostage crisis with Iran that the Jimmy Carter administration had failed to mar ge four years ago.

He took Mondale to task for his "weakness and naive thinking" in taking on the Soviet Union, accusing him of opposing stronger U.S. defenses and intending to reviving "the failed policies" of the Carter administration in which he served as vice-president. At the same time, Reagan has declared time and again his willingness to negotiate with the Soviet Union on nuclear arms reduction and advocated his power strategy that the Soviet Union will sooner or later return to the negotiating table and have serious talks with the United States when the U.S. military defense is strengthened.

While wrangling with each other, the two parties have also mobilized without stint a huge quantity of manpower and materials to drum up support from the voters. Mondale's two former contenders for the democratic nomination, Gary Hart and Jesse Jackson, as well as Senator Edward Kennedy are employing their influence to canvass the country. The independent presidential candidate in the 1980 general election, John Anderson, also set up a committee to enlist backing for Mondale from the independent voters.

Meanwhile, the Republicans have made every chance to defend Reagan's political image with Cabinet members doing their utmost to argue in favor of his policies on both domestic and foreign affairs. The two parties are now concentrating their efforts to attract the young and middle aged voters as well as the traditional Democratic voters who are still wavering. According to the Bureau of the Census, the voters aged between 25 to 44 account for 41.5 percent of the total 174 million eligible voters. And poll results showed that the majority of the voters in this age group seem more willing to support Reagan. In addition, of the registered Democratic voters, 22 percent have estimatedly not made up their mind in choosing a master of the White House because they disagree with Mondale on his tax increase program. There are also signs that a huge number of Democratic voters may jump to Reagan's side when the election begins. Moreover, the two parties are still competing in the nine most populous states of California, New York, Pennsylvania, Illinois, Ohio, Michigan, New Jersey, Texas and Florida, which hold 245 seats of the Electoral College -- a number only 25 less than what a candidate needs for his election. The recent public opinion polls and various investigations have indicated that Texas and Florida have almost certainly fallen into Reagan's hand while Mondale is likely to win New York State. In other big states, Reagan is also taking the lead, though there is room for contention.

At present, it is uncertain who will win the election, but the public opinion, generally speaking, believe that Reagan is more likely to be re-elected, if nothing unexpected happens in the coming few days.

PRC NATIONAL DAY CELEBRATED IN WASHINGTON

OW280822 Beijing XINHUA in English 0812 GMT 28 Oct 84

[Text] Washington, October 27 (XINHUA) -- the U.S.-China People's Friendship Association (Uscpfa) of Washington, D.C. held a dinner party here tonight to celebrate the 35th anniversary of the founding of the People's Republic of China and the 10th founding anniversary of the Washington Chapter of Uscpfa. Among the 200 people attending the dinner party were president of the Washington Chapter of Uscpfa Jackie Lenchek and Marion Barry, representative of the Washington, D.C. mayor and Mrs. Barry.

Chinese Ambassador to the United States Zhang Wenjin was also present on the occasion. Speaking at the party, Jackie Lenchek said that Uscpfa will continue to work hard "to build active and lasting friendship based on mutual understanding between the people of the U.S. and the people of China."

Ambassador Zhang Wenjin in his speech expressed the hope for further development of Sino-U.S. friendship and cooperation which will benefit not only the peoples of the two countries but the peace of the world as well. Mrs. Barry congratulated the two anniversaries on behalf of her husband. She recalled the successful trip to China last May by the delegation of the Washington, D.C. Government, of which she was a member, and expressed the hope that the "sister cities" relationship between Washington and Beijing will benefit the people of the two capitals.

THOROUGH INVESTIGATION OF LIU MURDER URGED

OW262104 Beijing XINHUA in English 1837 GMT 26 Oct 84

[Text] Washington, October 25 (XINHUA) -- Henry Der, executive director of the Chinese for Affirmative Action (CAA), and Dorothy Ehrlich, executive director of the American Civil Liberties Union, have sent a letter to the U.S. Justice Department calling for a comprehensive FBI investigation of the murder of Chinese-American author Henry Liu. The letter, dated October 22 and addressed to U.S. Attorney General William Smith and U.S. Attorney Joseph Russoniello.

Liu, who wrote under the name Jiang Nan, was gunned down by two suspects on October 15 in his Daly City residence,, south of San Francisco. According to a report of the SAN FRANCISCO JOURNAL, Henry Liu had criticized the Taiwan authorities in some of his articles and attacked some upper strata Kuomintang personnel without mercy while alive. His book "Biography of Chiang Ching-kuo," published in series in a Chinese newspaper in San Francisco in July this year, had shocked the Taiwan authorities. Pressures were applied on Henry Liu to stop publishing the book.

The letter suggests that Liu's murder was "politically motivated." "Some (Chinese) community newspapers and residents fear that foreign agents may have been involved in the murder of Mr. Liu," the letter states. Earlier, Lin-chih Wang, professor at the University of California at Berkeley and chairman of the board of CAA, charged in a letter to the U.S. attorney general that the murder was a well-planned scheme. He also urged the Justice Department to conduct an investigations.

Some Chinese community newspapers have been carrying articles recently on the murder. The CENTER DAILY NEWS said the assassination instead of silencing Liu, will make his work more widely known. According to the newspaper, people have been soliciting contributions to publish Liu's last manuscript. The murder will work as a "political boomerang" enhancing Liu's reputation in the Chinese community here, the newspaper said.

The PEIMEI NEWS, in an article entitled "Hatred for Human Ugliness," said people will link this killing to the murders of Lin Yixiong and Chen Wengcheng in Taiwan a few years ago, and to the assassination of Li Gocgpu and Wen Yiduo more than thirty years ago. The article said there are groups of political radicals who try to block freedom of speech through violence. But throughout history, such methods have never succeeded, the newspaper concluded.

CHERNENKO CALLS FOR BETTER SINO-SOVIET TIES

OW270856 Beijing XINHUA in English 0842 GMT 27 Octo 84

["Better Sino-Soviet Ties Would Benefit Asia, Says Chernenko -- XINHUA headline]

[Text] Moscow, October 26 (XINHUA) -- Soviet leader Konstantin Chernenko said here today that "a normalisation of relations between the Soviet Union and the People's Republic of China would contribute to improving the situation in the Asian Continent." TASS reported that the Soviet Communist Party general secretary was speaking at a banquet he hosted in honor of his Mongolian counterpart Jambyn Batmonh. The Soviet leader was quoted as saying "this is particularly important" now that "the situation in the world has become tense and the danger of war is growing." He asserted that the Soviet Union had strived to improve relations with China and was "taking the necessary steps in that direction." "We always keep open the door to constructive talks with China," he added.

While criticising the United States for its continuous "buildup of military-strategic means in the area close to the USSR's Far Eastern borders," the Soviet leader reiterated support for the "constructive program of Vietnam, Laos and Kampuchea directed at turning South East Asia into a zone of peace and stability."

In his speech at the banquet, Batmonh, general secretary of the Mongolian Workers' Revolutionary Party, said his country "welcomes the current new round of talks on the normalisation of the Sino-Soviet ties." He declared however that the question of the Soviet troops withdrawal from his country "touches upon the interests of third countries." Therefore, it "cannot and must not be a subject for discussion at Soviet-Chinese talks," he said. Batmonh, 58, is on his first visit to Moscow since he succeeded Yumjaagiyn Tsedenbal in August as Mongolian leader. Since his arrival here on October 25, he had had talks with Chernenko and Nikolay Tikhonov on bilateral relations and a number of international issues. During the talks, both sides declared that they would continue the policy of striving to strengthen the "Soviet-Mongolian alliance and friendship," it was reported.

FIFTH ROUND OF SINO-SOVIET TALKS ON RELATIONS

Wu Xueqian Meets Illichev

OW271237 Beijing XINHUA in English 1222 GMT 27 Oct 84

[Text] Beijing, October 27 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian today met L.F. Illichev, special envoy of the Soviet Government and vice-minister of foreign affairs, who is here for the fifth round of Sino-Soviet consultations. They discussed the normalization of relations between China and the Soviet Union. Qian Qichen, the Chinese Government's special envoy and vice-foreign minister, and Soviet Ambassador to China I.S. Shcherbakov were present.

'No Major Progress'

OW270911 Tokyo KYODO in English 0858 GMT 27 Oct 84

[Excerpt] Beijing, Oct. 27 KYODO -- China and the Soviet Union have produced no major progress after 10 days of talks between their vice foreign ministers here, Eastern diplomatic sources said Saturday.

Qian Qichen and Leonid Ilichev have almost finished their discussions on subjects on the agenda, those sources said. Ilichev will embark on a sight-seeing tour of China next week, the same sources said.

During the talks which started October 18, Qian Qichen urged the Soviet Union to remove what China claims the three major stumbling blocks for better ties -- high level of Soviet troops along the border, Soviet invasion of Afghanistan and Soviet support for Vietnamese presence in Kampuchea, they said. Ilichev rejected the Chinese demands, saying that every item relates to a third party of Mongolia, Afghanistan or Vietnam, they said.

However, the two communist giants agreed to expand economic, scientific, cultural and sports exchanges, the sources said.

Ilichev Leaves on Tour

OW271255 Tokyo KYODO in English 1241 GMT 27 Oct 84

[Text] Beijing, Oct. 27 KYODO -- Soviet Vice Foreign Minister Leonid Ilichev left Beijing for a domestic tour Saturday night after talks with his Chinese counterpart Qian Qichen, Chinese Foreign Ministry officials said. The officials declined to say, however, whether the fifth round of Sino-Soviet talks had ended. The destination of the Soviet vice foreign minister was unknown. The talks finished without producing any major progress on basic problems which are preventing the two communist giants from improving ties, Eastern diplomatic sources said. The sources said Ilichev might return to the capital but that the fifth round is over.

Both China and the Soviet Union have agreed not to reveal to third parties what they discussed or what was agreed upon, the same sources said. During the fifth round between October 18 and 26, formal sessions totaled four or five, and both parties had a few informal contacts, the sources said. Ilichev and Qian had friendly, business-like and open discussions, they said.

Arkhipov May Visit in 1984

NC271228 Paris AFP in English 1141 GMT 27 Oct 84

[Excerpts] Beijing, Oct 27 (AFP) -- Soviet and Chinese officials have wound up their fifth round of talks on restoring normal relations with no breakthrough in sight, East European sources said here today.

Diplomatic efforts are under way to arrange a visit here by Soviet First Deputy Premier Ivan Arkhipov, who was due here last May but whose visit was suddenly cancelled, the sources said. The Soviet Union now felt the visit might even take place before the end of this year, the sources added.

IZVESTIYA ARTICLE MARKS CPC FOUNDER'S BIRTH

OW281742 Beijing XINHUA in English 1433 GMT 28 Oct 84

[Text] Moscow, October 28 (XINHUA) -- Soviet newspaper IZVESTIYA carried an article today marking the 95th birthday of Li Dazhao, one of the founders of the Chinese Communist Party.

The article said that in modern Chinese history, Li was an outstanding fighter who devoted himself to the freedom and independence of the Chinese people and social progress. By disseminating Marxism-Leninism in China and highly appraising the Great 1917 October Revolution in Russia, the article said, Li made great contribution to the friendship between the peoples of China and the Soviet Union.

COMMENT ON SOVIET INTRUSION INTO SWEDISH AIRSPACE

HK280938 Beijing RENMIN RIBAO in Chinese 28 Oct 84 p 6

["International Jottings" by Jian Guo" "The Art of Denial"]

[Text] On 21 October, the Swedish deputy foreign minister disclosed that a fighter plane of the Soviet Air Force followed a civilian airplane for several minutes above Sweden's Gotland on 9 August, intruding the territorial airspace of Sweden by some 20 km. For this reason, the Swedish Government lodged two protests against the Soviet Union.

On 21 October, more than 2 months after the incident took place, the Soviet Union flatly denied the fact by saying that "the Gotland incident never took place at all" and that if an airplane had mistakenly entered Sweden's territorial airspace, "Moscow would apologize."

Is this denial convincing? It is an open secret that Soviet submarines and airspace airplanes have time and again intruded into Sweden's territorial waters and airspace. The Swedish Government repeatedly warned the Soviet Union, but Moscow never made any apology. In 1981, A Soviet submarine ran aground in the territorial waters of Sweden. With both human and material evidence, the Soviet Union could not but apologize for "mistakenly entering" Sweden's territory. However, the Soviet Union suddenly turned hostile just after the submarine was sent out of Sweden under escort and made a false countercharge blaming the Swedish Government for "distorting the facts" and for "carrying out espionage activities."

Just imagine -- if Moscow can turn against the fact that it had already apologized in the face of conclusive evidence, it can certainly deny its intrusion into Sweden's territorial airspace, since its airplane has already cleared the area. This is indeed the art of denial.

PONOMAREV CONDEMNS U.S. ARMS RACE TO FRENCH GROUP

OW261528 Beijing XINHUA in English 1452 GMT 26 Oct 84

[Text] Moscow, October 26 (XINHUA) -- The Soviet-U.S. nuclear arms-control talks can be resumed only after the United States removes its medium-range missiles from Western Europe, said B.N. Ponomarev, chairman of the Foreign Affairs Commission of Soviet Nationalities. He made his remarks while meeting with a delegation from the French National Assembly. According to the Soviet party newspaper PRAVDA today, Ponomarev said the U.S. missiles deployed in Western Europe played "the worst role" in the international situation. He also condemned the United States for further aggravation of world tension by "launching an unprecedented full-scale arms race". He denied that the Soviet Union also was responsible for the tension. The chairman expressed "deep pity" for the stand of the French Government on the deployment of U.S. missiles in Western Europe, and criticized the country for "actively taking part in both the nuclear and conventional arms race" and "propagandizing about the Soviet military threat". Ponomarev also expressed dissatisfaction over French military aid to Federal Germany. But he said his government could cooperate with France in easing tension in the Middle East and Central America. The French delegation arrived here on October 23. The talks between the two sides are continuing.

MORE ON CPC DELEGATION'S VISIT TO JAPAN

Qiao Urges End to Arms Race

OW270759 Beijing XINHUA in English 0733 GMT 27 Oct 84

[Text] Tokyo, October 26 (XINHUA) -- A senior Chinese Communist Party official said here today that the two superpowers should take the lead in curbing the testing, improvement and production of nuclear arms and conclude an agreement on reducing their nuclear stockpiles.

Qiao Shi, alternate member of the Secretariat and head of the Organization Department of the Chinese Communist Party Central Committee, made the remark at a reception given by the Socialist Party of Japan (JSP) in honor of the visit to this country of a ten-member delegation from the Chinese Communist Party. He suggested that concrete measures for nuclear disarmament should be worked out by a broadly representative international conference with the participation of all states possessing nuclear capabilities.

On China's economic reforms approved at the Third Plenary Session of the 12th Central Committee of the Chinese Communist Party earlier this month, Qiao explained that the reforms signaled a major advance toward enlivening the domestic economy and opening toward the outside world. Sino-Japanese economic, cultural and other forms of cooperation would greatly benefit from the reforms, he added.

Qiao expressed satisfaction with the normal ties established between the two parties a year ago, saying that such a relationship also helped promote good relations between the two countries and was conducive to peace in Asia and the world at large.

In his speech, JSP Chairman Masashi Ishibashi described the establishment of normal relations between the two parties as an epoch-making event. He said his party would work faithfully to promote the steady development of relations between the two countries.

Turning to the Sino-British joint declaration on Hong Kong, Ishibashi praised the "one country two systems" concept as one which would exert a positive influence on efforts to secure the return of Taiwan to China. He also expressed support for China's proposal to hold an international conference on nuclear disarmament.

The Chinese Communist Party delegation arrived here yesterday at the invitation of the JSP and is scheduled to stay in Japan for nine days.

JSP Chairman Meets Group

OW271626 Beijing XINHUA in English 1617 GMT 27 Oct 84

[Text] Tokyo, October 27 (XINHUA) -- Chairman of the Socialist Party of Japan [JSP] Masashi Ishibashi met here this morning with Qiao Shi and 11 other members of the Chinese Communist Party delegation led by him.

Qiao is alternate member of the Secretariat and head of the Organizational Department of the CPC Central Committee.

The meeting was followed by continued talks between the delegations of the two parties which started yesterday and ended at noon today. The talks covered the international situation and further development of the relations between the two parties. The two sides reached identical or similar point of views on many fundamental issues. They agreed to make joint efforts to promote the China-Japan friendship and unity and increase contacts between the two parties. Both support an independent and peaceful reunification of the world situation, for the disarmament and peace in the Asian-Pacific region and the whole world.

ZHAO MEETS JAPANESE ECONOMIC FUND PRESIDENT

OW261415 Beijing XINHUA in English 1318 GMT 26 Oct 84

[Text] Beijing, October 26 (XINHUA) -- Chinese Premier Zhao Ziyang met with Takashi Hosomi, president of the Overseas Economic Cooperation Fund of Japan, here this afternoon.

Zhao Ziyang said the Chinese Government attached great importance to cooperation with the Japanese Government. The first loans that Japan made to China had all been used in the major projects of China's four modernizations and played a very good role. "I am sure with common efforts the second loans will be smoothly negotiated," he added.

Zhao also thanked Hosomi for his cooperation with China. Hosomi said results have been fruitful in the use of the first loans. "I hope China will achieve early successes in using Japanese loans for its major projects, which I believe would promote China's economic development."

PENG ZHEN MEETS FORMER JAPANESE FOREIGN MINISTER

OW261304 Beijing XINHUA in English 1233 GMT 26 Oct 84

[Text] Beijing, October 26 (XINHUA) -- Peng Zhen, chairman of the Standing Committee of the National People's Congress, conversed here at noon with Masayoshi Ito, president of Dietmen's League for Japan-China Friendship and former Japanese foreign minister.

Peng Zhen said, "We are old friends. I appreciate your long years of efforts in developing Sino-Japanese friendship." He pointed out that the Chinese and Japanese peoples would be friends for generations. This was the basis for consolidating and developing Sino-Japanese friendship, Peng said.

Masayoshi Ito said that whatever happens in the international situation, Japan and China should maintain their stable relations.

Ito pointed out that the decision of the Third Plenary Session of the 12th Central Committee of the Communist Party of China on reform of the economic structure has "epoch-making significance." Peng Zhen replied that "The decision lays down China's basic policy on the economic reform.

I believe the reform will be successful." "Our practice in the past decades demonstrated that large-scale reform is needed both in the countryside and in the cities", Peng added, "of course new problems will emerge. However these problems can be solved in the process of the reform. We will systematically sum up the successful experience in the reform and formulate regulations and laws for them."

After the talk, Peng Zhen and his wife gave a luncheon for Ito and his wife.

JAPAN EXTENDS LOAN FOR OIL, COAL EXPLOITATION

OW261013 Beijing XINHUA in English 0906 GMT 26 Oct 84

[Text] Tokyo, October 26 (XINHUA) -- The Export-Import Bank of Japan has agreed to loan China some 2.4 billion U.S. dollars for exploiting oil and coal resources, an official of the Bank of China told XINHUA here today.

The two sides will soon sign a memorandum on the loan, said the official. The new loan, the second of the kind which carries an annual interest of 7.125 percent and is repayable within 15 years, will be used to develop three land oil fields (Dagang, Liaohe and the outer lane of Daqing), two offshore oilfields in the southern and western parts of the Bohai Sea, and two coal mines in the Inner Mongolia Autonomous Region and Shanxi Province.

The first loan given to China by Japan five years ago for exploiting oil and coal resources is now being used well, the official said. He also noted that the new loan contract signifies the further development of monetary cooperation between China and Japan and will contribute to promoting economic changes and maintaining mutual trust and long-term stable friendly relations between the two countries.

CHEN MUHUA AT SIGNING CEREMONY FOR JAPANESE LOAN

OW262052 Beijing XINHUA in English 1852 GMT 26 Oct 84

[Text] Beijing, October 26 (XINHUA) -- An agreement on loans from the Japanese Government to the Chinese Government for the year 1984 was signed here this afternoon.

Under the agreement, the Japanese Government will provide the Chinese Government with 71.5 billion yen, for seven major Chinese projects.

State Councilor and Minister of Foreign Economic Relations and Trade Chen Muhua attended the signing ceremony. Takashi Hosomi, president of the Overseas Economic Cooperation Fund, and Wei Yuming, vice-minister of foreign economic relations and trade, signed the agreement on behalf of their respective governments. Before the ceremony Chen Muhua met with President Hosomi and his party.

JAPANESE IMPORTERS OF CHINESE PETROLEUM VISIT PRC

Wang Zhen Meets Delegation

OW261409 Beijing XINHUA in English 1321 GMT 26 Oct 84

[Text] Beijing, October 26 (XINHUA) -- Wang Zhen, honorary president of the China-Japan Friendship Association met in the Great Hall of the People this afternoon a delegation from the Federation of Japanese Importers of Chinese Petroleum headed by Kimimichi Ishikawa.

Chen Muhua Meets Visitors

OW261411 Beijing XINHUA in English 1322 GMT 26 Oct 84

[Text] Beijing October 26 (XINHUA) -- Chen Muhua, Chinese state councillor and minister of foreign economic relations and trade met in the Great Hall of the People this afternoon a delegation from the Federation of Japanese Importers of Chinese Petroleum headed by Kimimichi Ishikawa. They had a talk on some economic and trade questions between the two countries.

NAKASONE MEETS BEIJING MAYOR, DELEGATION

OW261624 Beijing XINHUA in English 1616 GMT 26 Oct 84

[Text] Tokyo, October 26 (XINHUA) -- Japanese Prime Minister Yasuhiro Nakasone met here today a Beijing friendship delegation headed by Mayor Chen Xitong.

The prime minister said the Japanese people have all along liked and respected the Chinese people and called Chinese leaders Deng Xiaoping, Hu Yaobang and Zhao Ziyang his good friends. Speaking of his impressions on his visits to China, Nakasone said he had found changes in Beijing in every visit. The prime minister visited China in 1954, 1973, 1980 and last March.

Chen Xitong said he and his delegation came to metropolitan Tokyo to learn its experience in city construction and management and will use the experience for the construction of the Chinese capital.

Chen presented to the Japanese prime minister a porcelain plate decorated with Nakasone's portrait. "Does it look like you?" Chen asked. "Sure. But younger than I am," Nakasone said.

Present at the meeting were Governor Shunichi Suzuki of metropolitan Tokyo and Chinese Ambassador to Japan Song Zhiguang.

DPRK PREMIER MEETS PRC COAL INDUSTRY STUDY GROUP

OW281340 Beijing XINHUA in English 1323 GMT 28 Oct 84

[Text] Pyongyang, October 28 (XINHUA) -- Premier of the Korean Administration Council Kang Song-san said here today that like the Third Plenary Session of the 11th Central Committee of the Chinese Communist Party, the Third Plenary Session of the 12th Central Committee is of great significance in Chinese revolutionary history.

Kang made the remark during a meeting with a visiting study group from the Chinese coal industry headed by Han Ying. The premier wished the Chinese people great success in implementing the decisions adopted at the Central Committee meeting held earlier this month.

After the meetings, the Korean premier gave a dinner in honor of the visiting delegation. Minister of the Korean Coal Industry Choe Kwan-yong, Vice-Minister Han Pong-chun and Counselor of the Chinese Embassy to Korea Wu Liangpu were present on the occasion. The Chinese study group arrived here on October 12, and has visited a number of mines and factories.

O CHIN-U MEETS PRC FRIENDSHIP DELEGATION

SK270602 Beijing International Service in Korean 1100 GMT 25 Oct 84

[Text] The Chinese people's friendship delegation headed by Comrade Zheng Weishan, deputy commander of the 19th Army Corps of the former Chinese People's Volunteers [CPV], acting commander of the CPV's 20th Army Corps, and commander of the Lanzhou Military District of the PLA, paid a courtesy call yesterday in Pyongyang on Comrade O Chin-u, Standing Committee member of the Political Bureau of the Workers Party of Korea Central Committee and minister of the People's Armed Forces. They had a warm and friendly conversation.

Comrade O Chin-u warmly welcomed the delegation, which is here to participate in the dedication ceremony of the Tower of Korea-China Friendship, which was expanded recently, and in functions to commemorate the 34th anniversary of the entry of the CPV into the Korean War.

Zheng Weishan, head of the delegation, said that the improvement and expansion of the Tower of Korea-China Friendship not only constitutes the Korean people's commemoration of the CPV but is also a symbol of the friendship between the peoples and armed forces of China and Korea, showing well the deep friendship of the party, government, and people of Korea toward the party, government, and people of China.

PYONGYANG BANQUET MARKS CPV ENTRY INTO KOREA

SK290139 Beijing International Service in Korean 1100 GMT 27 Oct 84

[Text] The Korean Government arranged a grand banquet the evening of 25 October in Pyongyang to mark the 34th anniversary of the entry of the Chinese People's Volunteers [CPV] into the Korean war. The banquet was attended by Comrades Pak Song-chol, Paek Hak-nim, Kong Chin-tae, and many other leaders of the Korean party, government, and the Korean People's Army.

The members of the Chinese people's friendship delegation headed by Zheng Weishan were invited to the banquet. Comrade Kong Chin-tae, candidate member of the WPK Central Committee Political Bureau and vice premier of the State Administration Council, and Zheng Weishan, head of the delegation, spoke at the banquet. Vice Premier Kong Chin-tae said that the Korean party, government, and people will continue to firmly struggle forever together with the fraternal Chinese people shoulder to shoulder. Delegation head Zheng Weishan stressed that the Chinese people will support the Korean people's cause of opposing foreign forces and achieving the independent and peaceful reunification of the country.

DPRK REUNIFICATION FRONT DELEGATION VISITS PRC

Jiangsu Banquet Welcomes Visitors

OW270520 Nanjing Jiangsu Provincial Service in Mandarin 2300 GMT 26 Oct 84

[Text] The Jiangsu Provincial CPPCC Committee gave a banquet on the evening of 26 October at the Dongjiao Guesthouse to warmly welcome the delegation of the Korean Democratic Front for the Reunification of the Fatherland. The delegation is led by Yo Yon-ku, vice chairman of the Standing Committee of the Supreme People's Assembly of Korea and director of the Secretariat of the Central Committee of the Democratic Front for the Reunification of the Fatherland.

Qian Zhonghan, chairman of the provincial CPPCC Committee, presided over the banquet. Present were Xiao Hua, vice chairman of the CPPCC National Committee who is accompanying the Korean delegation; Ding Xuesong, a member of the CPPCC National Committee; and Chen Suiheng and Ouyang Huilin, vice chairmen of the provincial CPPCC Committee. Chairman Qian Zhonghan spoke at the banquet.

He said: We are very happy to have this opportunity to get together and chat cheerfully about friendship with our close comrades-in-arms from Korea, our fraternal neighboring country. In the course of long, common struggle, the Chinese and Korean people have established a militant friendship and become friends with a common destiny. We are inspired and elated by the victories won by the Korean people. We cordially wish our Korean comrades a successful visit to Nanjing.

Yo Yon-ku, head of the Korean delegation, said: We are greatly honored to have the opportunity to visit Nanjing where President Kim Il-song and Comrade Kim Chong-il visited before. The people of Nanjing, striving to implement the guidelines of the 12th CPC National Congress, have made great accomplishments. We want to learn from you. Korean-Chinese friendship, cemented with blood, will surely be further consolidated and developed.

The banquet was filled with the warm friendship between the Chinese and the Korean people from beginning to end. After the banquet, the Chinese and Korean comrades drove to Jinling Hotel to see a night view of Nanjing, a time-honored city, from a revolving room on the hotel's 36th floor.

Yo Yon-ku and his party arrived in Nanjing from Shanghai by airplane on the afternoon of 26 October. They were met at the airport by Chairman Qian Zhonghan and others.

Deng Yingchao Meets Group

OW281714 Beijing XINHUA in English 1638 GMT 28 Oct 84

[Text] Beijing, October 28 (XINHUA) -- Deng Yingchao, chairman of the National Committee of the Chinese People's Political Consultative Conference, reiterated here today China's support for the just stand of the Democratic People's Republic of Korea for peaceful reunification of Korea.

She made these remarks at a meeting with a delegation from the Korean Democratic Front for the Reunification of the Fatherland this afternoon.

Both Deng and Yo Yon-ku, head of the delegation and vice-chairman of the Standing Committee of the D.P.R.K. Supreme People's Assembly, paid tribute to each other's country for its achievements socialist construction. Yo said that the front was working together with all the Korean people for the socialist construction of North Korea and the reunification of the country.

Present at the meeting were Yang Jingren, Cheng Zihua, and Xiao Hua, vice-chairmen of C.P.P.C.C.

STUDENTS PROTEST POLICE ACTION ON SEOUL CAMPUS

OW261420 Beijing XINHUA in English 1238 GMT 26 Oct 84

[Text] Pyongyang, October 26 (XINHUA) -- Students in Seoul have protested in the past two days police intervention in their movement against Chon Tu-wan regime and strongly demanded police pull out of campus.

It was reported that more than 6,000 police and plainclothesmen swarmed into the Seoul National University Wednesday morning in a bid to prevent students from boycotting the mid-term exams in their campaign for democracy.

17 students were reportedly arrested by police who took posts around all the main buildings of the school.

About 3,000 students Thursday staged demonstrations again on the campus in Seoul National University shouting slogans in protest against the police actions. Students of many other universities in Seoul also staged protests against police intervention and demanded their withdrawal from the school campus.

Demonstrations Spread

OW281745 Beijing XINHUA in English 1447 GMT 28 Oct 84

[Text] Pyongyang, October 28 (XINHUA) -- Student protests calling for democracy in South Korea are gaining momentum, with witnesses reporting fierce clashes between students and police in street demonstrations, press reports here said.

Students at Seoul University have spearheaded the protests. On Thursday, more than 3,000 students rallied to force 6,000 policemen who had taken up positions around the campus to leave the university grounds. A rally attended by 1,500 students was held the next day on campus, with demands raised to remove restrictions on political activity and to amend the labor law. Slogans chanted included "Overthrow the government of violence" and "Fight for democracy."

Some of the students later demonstrated in downtown Seoul, and over 500 took to the streets again in the evening in a torchlight parade.

At a Friday rally at Boosan University in a southern coastal city, more than 1,000 students confronted a police contingent for three hours just outside the university gates. The students erected barricades, hurled stones and molotov cocktails in their battle with the police who had been mobilized to prevent students from going off campus.

Similar incidents have been reported from other universities, including Kyunghi, Hanyang, the Sukmyong Girls College, Ihwa Women's University and the Chon Nam National University.

BURMESE PRESIDENT, GROUP BEGIN GOODWILL VISIT

Delegation Departs Rangoon

OW280754 Beijing XINHUA in English 0653 GMT 28 Oct 84

[Text] Rangoon, October 28 (XINHUA) -- U San Yu, president of the Socialist Republic of the Union of Burma and chairman of the Council of State, and wife Daw Than Shein, left here by special plane at 8 this morning for an official goodwill visit to China, at the invitation of Li Xiannian, president of the People's Republic of China. President U San Yu and wife were accompanied by their daughter Daw Aye Than Yu; member of the Council of State U Tha Kyaw and wife; Chairman of the Council of People's Attorneys U Myint Maung and wife; Deputy Prime Minister U Tun Tin and wife; Minister for Foreign Affairs U Chit Flaing; Minister for Industry No 1 U Tint Swe; Minister for Construction U Hla Tun; Vice Chief of Staff (Army) and Deputy Minister for Defence Lieutenant-General Saw Maung and member of People's Parliament U Htwe Han.

The president and party were seen off at the airport by Chairman of the Burma Socialist Programme Party U Ne Win; Secretary of the Council of State (general secretary of the party) U Aye Ko; member of the Council of State (joint general secretary of the party) U Sein Lwin; Prime Minister U Maung Maung Kha; Deputy Prime Minister and Minister for Defence General Kyaw Htin; ministers and other high-ranking officials. Also present at the airport was Chinese Charge d'Affaires ad Interim Chen Duan.

Arrives in Kunming

OW280722 Beijing XINHUA in English 0714 GMT 28 Oct 84

[Text] Kunming, October 28 (XINHUA) -- U San Yu, president of the Socialist Republic of the Union of Burma, and Mrs. San Yu arrived here this morning to begin an official friendly visit to China. The Burmese president came to visit China at the invitation of Li Xiannian, president of the People's Republic of China. Greeting the Burmese guests at the airport were Pu Chaozhu, governor of Yunnan Province, Zhu Zhihuai, mayor of Kunming, and other local leaders. Bouquets were presented by two children to President U San Yu and Mrs. San Yu soon after they alighted.

Also present at the airport were Chinese Ambassador to Burma Huang Mingda, and Burmese Ambassador to China U Hla Shwe, and Mrs. Hla Shwe, who came specially from Beijing. The Burmese guests will tour the scenic Dianchi Lake this afternoon. In the evening the Yunnan Provincial Government will give a grand banquet in honor of the Burmese guests.

Kunming Dinner

OW281446 Beijing XINHUA in English 1435 GMT 28 Oct 84

[Text] Kunming, October 28 (XINHUA) -- Burmese President U San Yu, Mrs. San Yu and their party were honored here this evening at a banquet given by the People's Government of Yunnan Province. Speaking at the banquet, Governor Pu Chaozhu said that his province and Burma were neighbors. Being close to each other, residents on both sides of the border have lived in harmony. People of various nationalities in the province were glad of the sound development of Sino-Burmese friendship and were ready to contribute to this friendship, Pu added.

The Burmese president said that as neighbors Yunnan and Burma were similar in many ways. He said he felt as if he had come to the home of his relatives in the province. He was pleased with Yunnan's development and wished it greater successes. The president and his party arrived here earlier today and spent the afternoon visiting scenic spots.

Beijing Arrival

OW260728 Beijing XINHUA in English 0644 GMT 29 Oct 84

[Text] Beijing, October 29 (XINHUA) -- Burmese President U San Yu and Madame San Yu arrived here from Kunming this morning by special plane on an official visit to China at the invitation of Chinese President Li Xiannian. They were greeted at the airport by Yang Bo, chairman of the Chinese Government reception committee and minister of light industry, his wife, and Vice-Foreign Minister Liu Shuqing.

Accompanying the president on the visit are his daughter Daw Aye Than Yu; member of the Council of State U Tha Kyaw and his wife; Chairman of the Council of People's Attorneys U Myint Maung and his wife; Deputy Prime Minister U Tun Tin and his wife; Minister for Foreign Affairs U Chit Hlaing; Minister for Industry (One) U Tint Swe; and Minister for Construction U Hla Tun. Arriving on board the same plane were Chinese Ambassador to Burma Huang Mingda and Burmese Ambassador to China U Hla Shwe and his wife, who had made a special trip to Kunming to meet the President. The distinguished guests then drove to the Diaoyutai State Guesthouse where they will be staying while in Beijing.

Today, colorful bunting hung over the Changan Street, the main thoroughfare running from east to west in the Chinese Capital, and national flags of China and Burma fly over Tiananmen Square, adding to the atmosphere of jubilation in Beijing. Chinese President Li Xiannian is to hold a welcoming ceremony for President U San Yu this afternoon.

Li Xiannian Welcome

OW290946 Beijing XINHUA in English 0907 GMT 29 Oct 84

[Text] Beijing, October 29 (XINHUA) -- Burmese President U San Yu and Mme. San Yu were honored at a grand welcoming ceremony presided over by Chinese President Li Xiannian here this afternoon. The ceremony took place at the Plaza to the east of the Great Hall of the People. At 16:30, the Burmese President and Mme. San Yu drove to the plaza in the company of Yang Bo, chairman of the Chinese Government reception committee and minister of light industry. President Li and his wife Lin Jiamai greeted them with warm handshakes. Two children presented President U San Yu and Mme. San Yu with bouquets of flowers.

The two presidents went to the center of the plaza and mounted the reviewing stand. The ceremony began with the military band rolling out the national anthems of Burma and China amid a 21-gun salute. President U San Yu, accompanied by President Li, reviewed a three-service honor guard. Several hundred youngsters danced and shouted slogans to welcome the distinguished guests. The Burmese President and Mme. San Yu waved to the crowd in acknowledgement. Present at the ceremony were Chinese Vice-Premier Yao Yilin, State Councillor and Foreign Minister Wu Xueqian and Minister of Textile Industry Wu Wenying.

VIETNAM'S 'AGREEMENT' WITH ASEAN CRITICIZED

HK270819 Beijing RENMIN RIBAO in Chinese 27 Oct 84 p 6

["International Jottings" by Zhi Guang: "To No Avail"]

[Text] On 23 October, at a press conference held in Paris, Nguyen Co Thach said that not long ago, when he met the Indonesian and Malaysian foreign ministers in New York, they "reached an agreement on the issue of Kampuchea during their talks." However, the next day, an official of the Malaysian Foreign Ministry pointed out that when Nguyen Co Thach was holding talks with the foreign ministers of some ASEAN countries, he "did not agree with any idea put forth by them," and that the so-called reaching of an agreement, as Nguyen Co Thach stated, was "nothing but another trick."

A foreign minister has gone so far as to tell lies, but he does not blush with shame when other people expose him. Only Nguyen Co Thach can do such an ugly thing. When the UN General Assembly discusses the issue of Kampuchea, Vietnam will again be a defendant at this international forum. Therefore, Nguyen Co Thach is back to his old tricks again, trying to create confusion. He endured the hardship of a long journey to successively visit Bangkok, Tokyo, New York, and Paris spreading the news that the issue of Kampuchea would soon be solved. The so-called reaching of an agreement with ASEAN was only one of his little tricks.

However, the key to solving the issue of Kampuchea lies in the withdrawal of the Vietnamese troops from the country. As long as Vietnam refuses to withdraw its troops from Kampuchea, it will always be put in the defendant's seat. Even though Nguyen Co Thach has displayed his special skill, it is to no avail.

CHU TUNAN MEETS PHILIPPINES CARDINAL SIN

OW281752 Beijing XINHUA in English 1442 GMT 28 Oct 84

[Text] Beijing, October 28 (XINHUA) -- Chu Tunan, vice-president of the Chinese People's Association for Friendship With Foreign Countries, met and gave a dinner for the Philippine cardinal, Jaime L. Sin, and his party in the Great Hall of the People here this evening. In his toast, Chu said there was a long-standing and traditional friendship between the Chinese and Philippine peoples. Particularly since diplomatic ties were established between the two countries in 1975, progress had been made in friendly cooperation between the two governments and peoples on the traditional basis, he added.

Chu expressed his belief that the cardinal's visit would further promote mutual understanding and friendship between the two peoples. In return, the cardinal thanked the host association for the invitation which made his long-cherished dream of returning to the land of his father come true today. Cardinal Sin said he admired all the positive efforts the Chinese Government was making toward the modernization program.

Sin is on a private visit to China and he will call on his relatives in Shanghai and Amoy. He and his party were greeted at the airport by Lu Cui, vice-president of the host association, when they arrived here yesterday.

Lu Cui, Ren Wuzhi, acting director of the Bureau of Religious Affairs under the State Council, and Zong Huaide, chairman of the Chinese Patriotic Catholic Association, were present.

MALDIVIAN PRESIDENT, DELEGATION CONTINUE VISIT

Meet Deng Xiaoping

OW261454 Beijing XINHUA Domestic Service in Chinese 0918 GMT 26 Oct 84

[By Reporter Gu Wenfu]

[Text] Beijing, 26 Oct (XINHUA) -- "China can certainly quicken the pace of its development," as long as the principles set forth in the Decision of Reform of the Economic Structure, adopted by the 12th CPC Central Committee at its 3d Plenary Session, are adhered to, said Deng Xiaoping, chairman of the CPC Central Advisory Commission, here today. He said: "Urban reform is much more complicated than that in the rural areas. There might be some minor mishaps of various kinds, but it would not matter. In 3 or 5 years, practice will prove the correctness of that decision."

Deng Xiaoping made the above remarks when he met the visiting Maldivian president, Maumoon Abdul Gayoom, at the Fujian Hall of the Great Hall of the People here this morning. It was the first time for him to meet this young president. During the meeting that lasted for more than 1 hour, both the guest and the host conversed in a friendly and pleasant atmosphere. Deng Xiaoping briefed the guest on China's experience in carrying out socialist economic construction.

Deng Xiaoping pointed out: "The experience we have gained in the course of scoring some achievements is that over the past few years we have reiterated the principle of seeking truth from facts, a principle that was advocated by Comrade Mao Zedong. The Chinese revolution has been victorious because Comrade Mao Zedong integrated Marxism-Leninism with China's realities and followed China's own road. In our construction, we will also follow our own road by integrating Marxism-Leninism with the actual conditions in our country."

Gayoom said: "It is wise of you to follow your own road."

Deng Xiaoping continued: "This experience came from our sufferings."

Gayoom added: "We are human beings. It is impossible for us not to make mistakes."

Deng Xiaoping said: "That is right. Henceforth, we may make mistakes again. But we can not make big mistakes; we will correct them promptly when mistakes are discovered." Deng went on: "China has scored tremendous successes in the past 35 years, but there have been some setbacks in between, some time wasted. The biggest setback was the 'Great Cultural Revolution.' Without these twists and turns, China would be definitely different. In the past 5 years, we have changed the past 'leftist' policies and devoted our efforts to economic construction with one heart and one mind. The achievements in the past 5 years have surpassed our expectations. It is expected that we will be able to achieve our goal of quadrupling the gross annual industrial and agricultural output value by the turn of the century."

Gayoom said: "I am convinced that your goal will surely be attained through your tremendous efforts."

Deng Xiaoping stressed: "In order to develop China and achieve our great goal, we need a peaceful international environment. We, therefore, are ardent peace lovers."

Gayoom said: "We are very interested in China's achievements in construction and its experience. Your success is an encouragement to Third World countries."

Deng Xiaoping stressed: "China always belongs to the Third World. It will remain so in the future even when it becomes a developed country. It will never behave as a super-power. I have said this more than once before."

Gayoom replied: "China has always been with the Third World in international affairs, playing a significant role in the United Nations and on other international tribunals."

Deng Xiaoping said: "As a permanent member of the UN Security Council, China will always vote in the interest of the Third World and is worthy of the name of an under-developed country in the Third World."

Visit Liaoning

OW262048 Beijing XINHUA in English 1854 GMT 26 Oct 84

[Text] Dalian, October 26 (XINHUA) -- Maldivian President Maumoon Abdul Gayoom and his party arrived in Dalian from Beijing this afternoon in the company of Yang Taifang, minister of posts and telecommunications. Greeting them at the airport were Quan Shuren, governor of Liaoning Province, and Wei Fuhai, mayor of Dalian City. The Maldivian president and his party were guests of honor at a banquet given by the Liaoning Provincial Government and the Dalian City Government here this evening. After the banquet, they were entertained by acrobats.

Return to Beijing

SK280253 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 27 Oct 84

[Text] Maldivian President Maumoon Abdul Gayoom and his party satisfactorily concluded their visit to Dalian City in our province and, accompanied by Yang Taifang, head of our country's accompanying group and minister of posts and telecommunications, and Liu Shuqing, vice minister of foreign affairs, left Dalian for Beijing by special plane this afternoon. Quan Shuren, governor of Liaoning Province; Li Xishun, director of the provincial external affairs office; and Wei Fuhai, mayor of Dalian City, saw the delegation off at the airport. President Gayoom and other distinguished Maldivian guests visited the Dalian shell carving plant, the Dalian fishing vessel plant, and the Dalian Sea Fishing Company. They were warmly welcomed by the people wherever they went. President Gayoom and his party also toured Dalian beach and the Dalian Bay by boat.

Sign Cooperation Agreements

OW271620 Beijing XINHUA in English 1610 GMT 27 Oct 84

[Text] Beijing, October 27 (XINHUA) -- The Governments of China and the Maldives this evening here signed two agreements, one concerning economic and technical cooperation and the other, on mutual exemption of visas and visa fees. Chinese President Li Xiannian and Maldivian President Maumoon Abdul Gayoom attended the signing ceremony. Chinese State Councillor and Foreign Minister Wu Xueqian and Maldivian Foreign Minister Fathulia Jameel signed the agreements on behalf of their respective governments.

President Gayoom returned here this afternoon after his one-day visit to Dalian, a seaside city in northeast China. He is scheduled to leave China for Tokyo tomorrow morning. Li Xiannian bade farewell to President Gayoom at the state guesthouse here this evening, congratulating him on his successful China visit. Wu Xueqian gave a dinner for President Gayoom and his party tonight.

HOWE SPEAKS TO HOUSE OF COMMONS ON HONG KONG

OW260808 Beijing XINHUA in English 0707 GMT 26 Oct 84

[Text] London, October 25 (XINHUA) -- The Sino-British joint declaration on the question of Hong Kong has met with a wide international welcome from both public bodies and individuals, British Foreign Secretary Geoffrey Howe told the House of Commons today.

In his first statement to members of Parliament since the declaration was initialled in September, Howe said the government has made clear its own view that the declaration provides the assurances which are necessary if the people of Hong Kong are to face the future with confidence. Hong Kong's capitalist system will remain unchanged for 50 years after China resumes sovereignty over Hong Kong in 1997, he said.

The declaration will provide a framework for continued large-scale British investment in Hong Kong, he said, adding that investor confidence will depend on the way in which the new administration in Hong Kong is established and how it is operated. "It is confidence which will command the decisions of a whole multitude of investors, and I am sure the whole House will hope that British firms continue to play a major part in that," he added.

The joint declaration was welcomed in the British Parliament, which will open debate on the final accord before the end of the year.

Foreign Affairs spokesman of the opposition Labor Party Denis Healey said, "In my view, it is the best possible agreement and very much better than many people believed possible as little as six months ago."

HOWE ADDRESSES SINO-BRITISH GROUP ON HONG KONG

OW260814 Beijing XINHUA in English 0657 GMT 26 Oct 84

[Text] London, October 25 (XINHUA) -- British Foreign Secretary Geoffrey Howe said here today that the Sino-British joint declaration on Hong Kong is "a very good agreement" which "provides a unique solution to a unique problem."

Speaking at a luncheon to celebrate the 30th anniversary of the formation of the Sino-British Trade Council (SBTC), Howe said he was confident that the agreement "will achieve what both sides were aiming for: the establishment of firm foundations for a stable and prosperous Hong Kong in the 21st century."

"The agreement," he stressed, "is also a benchmark in a wider sense -- an index of the evolution that has taken place in relations between Britain and the People's Republic of China. Those relations are built on a basis that is already firm. Both sides have invested strongly in recent years in a dialogue aimed at strengthening mutual understanding."

Howe singled out the 1982 talks between British Prime Minister Margaret Thatcher and Chinese leader Deng Xiaoping as "particularly rewarding." On China's economic reforms announced at last weekend's Central Committee meeting, Howe said, "I know at first hand that reform takes courage, and we pay tribute to this at work in China." He expressed the hope that more British firms will approach opportunities in China with vigor and in a pioneering spirit.

On Sino-British trade, Howe said that trade is still "one fundamental and direct means by which countries can enhance their own and each other's prosperity" in a world plagued by conflict and dispute. This anniversary reminds us that in 1954 concern to improve trade links was a major bilateral issue. Indeed, it engaged the interest and support of both Premier Zhou Enlai and Winston Churchill," he recalled.

At the luncheon, attended by 200 distinguished British and Chinese guests, Peter Matthews, president of the SBTC, and Chen Zhaoyuan, Chinese ambassador to Britain, also praised the SBTC for its contributions to promoting Sino-British economic relations. The SBTC is the official British overseas trade board advisory group for China and was set up in 1954 by the Association of British Chambers of Commerce, the China Association, the Confederation of British Industry and the London Chamber of Commerce and Industry.

TURKISH FOREIGN MINISTER HOLDS TALKS IN PRC

Confers With Wu Xueqian

OW261327 Beijing XINHUA in English 1259 GMT 26 Oct 84

[Text] Beijing, October 26 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian and the visiting Turkish Foreign Minister Vahit Halefoglou held talks here today. It was learned that their talks covered bilateral relations and international issues of common concern.

Halefoglou said that the Iran-Iraq war had brought damages to the two countries and jeopardized peace and security in this region and the rest of the world. The Turkish Government had tried to seek ways of putting an early end to the war through bilateral and multilateral efforts, and it would continue its efforts in this respect, he added.

The Turkish foreign minister said that his country held that Israel must withdraw from the land it had occupied and recognize the legitimate rights of the Palestinian people and that foreign troops must withdraw from Lebanon. Turkey supported Egypt's efforts to return to the Islamic Conference, he said.

The Chinese foreign minister explained China's consistent position on Sino-Soviet and Sino-U.S. relations, saying that China, which followed an independent foreign policy, would not attach itself to any big power, nor would it yield to any big power's pressure. Wu said that China was opposed to the hegemonic practice of the Soviet Union and the United States but it would conduct dialogues and expand bilateral relations with them. The two foreign ministers also reviewed the development of friendly relations and cooperation between China and Turkey, and stressed that there were very broad prospects for the two countries' economic cooperation and trade.

Meets With Chen Muhua

OW261432 Beijing XINHUA in English 1329 GMT 26 Oct 84

[Text] Beijing, October 26 (XINHUA) -- Chen Muhua, state councillor and minister of foreign economic relations and trade, met here this afternoon, Turkish Foreign Minister Vahit Halefoglu and his party. They exchanged views on further development of bilateral economic relations and trade.

Hosts Return Banquet

OW261556 Beijing XINHUA in English 1503 GMT 26 Oct 84

[Text] Beijing, October 26 (XINHUA) -- Turkish Foreign Minister Vahit Halefoglu, and Mrs Halefoglu gave a return banquet in the Great Hall of the People here this evening.

In his toast, Halefoglu described his talks in Beijing as "sincere, fruitful, and constructive". He added, "I expect that the talks will promote the growth of bilateral relations and cooperation. The talks have also demonstrated that China and Turkey are determined to safeguard world peace, security and stability."

State Councillor and Foreign Minister Wu Xueqian said: "The friendly relations and cooperation between our countries are vigorous and vital and have very broad prospects. I am convinced that the flower of friendship between China and Turkey will blossom and bear fruit."

Talks With Zhao Ziyang

OW261714 Beijing XINHUA in English 1633 GMT 26 Oct 84

[Text] Beijing, October 26 (XINHUA) -- Chinese Premier Zhao Ziyang today expressed appreciation for the great importance that Turkish President Kenan Evren and Prime Minister Turgut Ozal attached to the development of Turko-Chinese relations.

"Our two countries have agreed on many major issues," Zhao Ziyang said at a meeting with visiting Turkish Foreign Minister Vahit Halefoglu and his party here this afternoon.

Zhao stressed: "We are at one on many issues. The exchange of visits between our two leaders has helped our understanding." Zhao Ziyang also spoke highly of Turkey's efforts in opposing foreign occupation of Afghanistan and Kampuchea, supporting the Arab cause and ending the Iran-Iraq war. He said he was very pleased to note Turkey's better relations with the Middle East and Islamic countries.

Halefoglu said Turkey was a bridge between East and West. "We hope to be able to play a bridging role and improve relations with China, particularly in economy and trade," he added.

Zhao Ziyang said, "We devote much attention to Turkey's active role in its region and international affairs." He said exchange visits between the two leaders had established mutual trust and cooperation between China and Turkey, which should be promoted. There exist great potentials for Sino-Turkish economic cooperation which need to be tapped, he pointed out.

"We should pay more attention to developing South-South cooperation," he said. "China and Turkey, as developing countries, may have their own strong and weak points. We wish to cooperate by learning from each other and complementing each other's deficiencies. In my view, developing countries need to know each other better so as to promote South-South cooperation."

Premier Zhao asked Halefoglu to convey his formal invitation to Prime Minister Turgut Ozal to visit China next year at a time convenient to him. Halefoglu said he would be delighted to do so.

Meets With Li Xiannian

OW280748 Beijing XINHUA in English 0735 GMT 28 Oct 84

[Text] Beijing, October 28 (XINHUA) -- Li Xiannian, president of the People's Republic of China, and his wife Lin Jiamei met in the Great Hall of the People this morning with Turkish Foreign Minister Vahit Halefoglu, Mrs Zehra Halefoglu and their party.

Halefoglu told Li Xiannian that the president's visit to Turkey last March left a deep impression on the whole Turkish people. He said the Turkish-Chinese relations have long been good, particularly in the recent two or three years. Exchange of views would be conducive to the development of the relations between the two countries, he added.

The Turkish foreign minister and President Li Xiannian discussed the situation of the war between Iraq and Iran. They both hoped that Iraq and Iran would take the whole situation into account and end the war and solve their disputes through peaceful negotiations so as not to provide any opportunity for the superpowers to interfere.

President Li Xiannian expressed his appreciation for Turkey and other countries for their efforts to try to conciliate the Iraq-Iran conflicts. He said he hoped that such efforts would continue. Li Xiannian also expressed his satisfaction about the smooth development of the Chinese-Turkish friendly relations of cooperation, hoping that such relations would be further consolidated and developed. Xi Xiannian said that both China and Turkey are developing countries whose cooperation should be further strengthened. Only when the developing countries become independent and strong economically, can they achieve a steadfast political independence, he said.

Halefoglu and Li Xiannian also discussed the situation in the Middle East and exchanged views on matters of common concern. Halefoglu and his party left Beijing at noon today for Xian. Then they will visit Shanghai and Guangzhou.

WU XUEQIAN AT GDR ENVOY'S ANNIVERSARY BANQUET

OW281310 Beijing XINHUA in English 1304 GMT 28 Oct 84

[Text] Beijing, October 28 (XINHUA) -- Rolf Berthold, ambassador of the German Democratic Republic to China, gave a banquet here tonight to mark the 35th anniversary of the establishment of diplomatic relations between his country and China. Among those present were Chinese State Councilor and Foreign Minister Wu Xueqian, and Minister in Charge of the State Physical Culture and Sports Commission Li Menghua.

DENG LIQUN MEETS GDR RADIO-TV MINISTER

OW271255 Beijing XINHUA in English 1216 GMT 27 Oct 84

[Text] Beijing, October 27 (XINHUA) -- Deng Liqun, member of the Secretariat and head of the Propaganda Department of the Chinese Communist Party Central Committee, met Achim Becker, chairman of the Ministry of Radio and Television of the German Democratic Republic, and his party here this afternoon. The two men exchanged views on further cooperation between the electronic media of the two countries.

SPORTS EXCHANGE PROTOCOL SIGNED WITH GDR

OW260804 Beijing XINHUA in English 0718 GMT 26 Oct 84

[Text] Berlin, October 25 (XINHUA) -- China and the German Democratic Republic signed a 1985 sports exchange protocol here today. The protocol was signed by Lu Jindong, vice-minister of the Chinese Physical Culture and Sports Commission and G. Heinze, vice-president of the Gymnastics-Sports Federation of Democratic Germany.

The Chinese vice-minister and his party arrived here on October 21 on a five-day visit to the country and left for the Netherlands this afternoon.

BANK DELEGATION ENDS 5-DAY VISIT TO HUNGARY

OW280224 Beijing XINHUA in English 0213 GMT 28 Oct 84

[Text] Budapest, October 27 (XINHUA) -- President of the People's Bank of China Lu Peijian left here for home today after a five-day visit to Hungary.

Lu exchanged views yesterday with Hungarian Vice-Premier Marjai about economic reforms in each other's country. Marjai hoped that their bilateral economic cooperation would be further developed.

PLA SCHOOL RALLY MARKS ROMANIAN ARMY DAY

OW271640 Beijing XINHUA in English 1627 GMT 27 Oct 84

[Text] Shijiazhuang, October 27 (XINHUA) -- A rally was held at an Army school of the Chinese People's Liberation Army here today in celebration of the 40th anniversary of the founding of the Romanian Army.

Romanian Ambassador to China Angelo Miculescu who made special trip to Shijiazhuang joined more than 1,000 Chinese commanders and fighters in the celebration.

In his speech Song Shuanglai, political commissar of the school, warmly hailed the friendship between the two armies. Ambassador Miculescu told in detail the achievements the Romanian Army had made in various fields under the leadership of Romanian President Nicolae Ceausescu. The ambassador visited a photo exhibition on the life of Romanian Army and attended the school's teaching. He also watched a military display by militia in Shijiazhuang.

RENMIN RIBAO VIEWS STUDYING DECISION ON REFORM

HK261304 Beijing RENMIN RIBAO in Chinese 26 Oct 84 p 1

[Commentator's article: "The Important Thing Is To Digest the Spirit of the Document"]

[Text] After the 3d Plenary Session of the 12th CPC Central Committee, comrades of CPC committees at all levels and on the propaganda front at all levels must try to firmly grasp the study of the session's document. "The Decision of the CPC Central Committee on Reform of the Economic Structure" is an important policy decision for speeding up the reform of the whole economic structure, with focus on the urban economy. In order to carry out such a great and thorough reform, it is necessary to unify our thinking and concentrate our strength. But the most important thing is to earnestly study the third plenary session's document and to arm ourselves with the theory of and policy on reform.

The basic spirit of this third plenary session's document is to emancipate people's minds, to seek truth from facts, to integrate the universal truth of Marxism-Leninism and the concrete practice of China's socialist construction, to sum up both positive and negative experiences in China's socialist construction over the past 30-odd years, and to provide a scientific blueprint for building China into a prosperous, rich, and civilized modern country with its own characteristics. What was previously not written in books has been written in the document, and what the ancestors did not tell about has been told in this document. What is scientific socialism? How can socialist superiority be brought into full play? The document gives good answers to these questions. This document, which truly upholds the four basic principles and integrates theory and policy well, can be considered China's political economy. Without the practice of the past 6 years since the 3d Plenary Session of the 11th CPC Central Committee, it would have been impossible to write such a good document. We must not underestimate studying the document, although it seems so easy to understand. To fully understand the document and to completely and accurately grasp the essence of the document, great effort should be made.

The practice of rural reform over the past few years has shown that our every step forward was obstructed by habitual, ideological prejudices within the party. Urban reform and the reform of the whole economic structure are more complicated than rural reform and will inevitably meet with this problem. Over a long period of time, a rigid pattern has been formed in the economic structure which is unsuitable for development of social productive forces. As a result, some ideas have been formed about what socialism means which are unsuitable for the practical situation, and people's ideas always lag behind reality. When reality calls for changing all these patterns and ideas, not all people will be able to follow the trend of reform. Some people treat safeguarding old patterns filled with various defects as defending the purity of "socialism." On the contrary, various correct measures which consciously apply the law of value and develop socialist commodity economy are viewed as "capitalist" things and rejected. Without removing this habitual, ideological prejudice, it will be impossible to push the reform forward. While studying the third plenary session's decision, we must link it with practice and derive nourishment from the many successful reforms in the country in order to eliminate "leftist" ideological influence, to get rid of the restrictions of old conventions, and to unify our understanding of the document.

The economic structure reform involves a wide range of economic theories, scientific socialist theory, and other theoretical problems. The third plenary session's decision broke with many traditional ideas and old conventions, raised many new ideas, and established many new things.

Earnestly studying the "decision" not only enables us to correctly understand a series of important principles and policies, but also provides an opportunity for us to restudy scientific socialism and Marxist political economy which can deepen our scientific understanding of socialism. This is of great significance to upgrading our political and ideological level and to raising our consciousness in carrying out our reform.

In the past, when the central leadership announced an important decision, one after another people would rush headlong into mass action to make their position known, making a show of exerting pressure on everyone. After our party rectified its ideological line, this practice was no longer popular. We must not study and implement the document of the 3d Plenary Session of the 12th CPC Central Committee perfunctorily, but must study it earnestly and achieve practical effect in the reform. Party organizations at all levels must firmly grasp the prime issue of studying the document, must first organize study by party members and cadres -- particularly that by leading cadres at all levels -- and must properly carry out political and ideological work so that the theory and policy of reform will take root in the hearts of the people.

HU YAOBANG ON REQUIREMENTS FOR REFORM'S SUCCESS

OW281610 Beijing XINHUA Domestic Service in Chinese 0839 GMT 28 Oct 84

[By XINHUA reporter Nan Zhenzhong and RENMIN RIBAO reporter Yao Liwen]

[Text] Jinan, 28 Oct (XINHUA) -- When inspecting the work in Shandong's coastal areas, Hu Yaobang, general secretary of the CPC Central Committee, encouraged the cadres and masses to persist in seeking truth from facts and further emancipating their minds in order to develop in a healthy way the work of reforming the entire economic structure.

Hu Yaobang went to inspect the work in Shandong right after the conclusion of the 3d Plenary Session of the 12 CPC Central Committee. From 21 to 27 October, he inspected Yantai and Qingdao Cities as well 14 counties (cities and districts), 3 villages, and 8 ports of Linyi Prefecture. He also visited some factories and peasant families. On these tours, he saw the vigor and vitality of the cadres and the masses and the thriving scene of industrial and agricultural production. Hu Yaobang said: Party organizations at all levels in Shandong are resolute in carrying out the line, principles, and policies of the central authorities. The situation is fine. Shandong is one of the provinces in our country marching in the vanguard.

On his tours, Hu Yaobang listened to work briefings by various prefectural (city) and county party committees and looked into and learned the opinions of cadres and masses about the "CPC Central Committee Decision on Reform of the Economic Structure." Hu Yaobang made a speech at a meeting with responsible comrades of the Qingdao City CPC Committee and the various county party committees in this city. He stressed the need to persist in seeking truth from facts and further emancipating the mind. He elaborated on the importance of emancipating the mind from the following eight aspects:

First, is there a full understanding of Qingdao's important position in Shandong's economic construction? Qingdao is an economic, cultural, scientific, and technological center in Shandong. From the viewpoint of development, it is also a communications center. If done well, the work of Qingdao will have a significant bearing on the whole province's economic development. To understand fully the important position of an open coastal city is also a kind of ideological emancipation.

Second, is there a full understanding of the importance of opening to the outside world and to other localities within the country and the province? China has five major ports: Guangzhou, Shanghai, Qingdao, Tianjin, and Dalian. Qingdao also is renowned internationally. You should use diverse ways and through water, air, and land transportation services, strengthen your economic exchange with various countries in the world and build Qingdao as soon as possible into one of the major hubs whereby our country may link itself with the world's five continents.

In dealing with other provinces and other localities within the province, it is especially necessary to carry out an open-door policy. In this connection, it is not only necessary to promote general trade contacts but also to develop diverse forms of "internal economic ties." If any other province wants to establish factories, trade organizations, information centers, hotels, or restaurants offering special dishes in your city, you should welcome them.

Third, has sufficient mental preparation been made to meet the difficulties and problems that may occur in the course of reform? Speaking of reform, everyone approves of it, but this is a question that must be truly solved ideologically. At its inception, rural reform met with resistance. Will the current reform of the entire economic structure, centering on urban reform, meet with new resistance? If so, it is very likely that the resistance will first come from some comrades of the central departments and the leading organs concerned of various provinces, regions, prefectures, and cities, especially the economic work departments. Reform of the economic structure is confronted with many complicated and new problems. Many of the old leadership and work methods, as well as the order to work, rules, and regulations that we relied upon in the past are no longer applicable. It is no easy task and requires hard work to explore a new series of leadership and work methods. What is meant by hard work? It is to display a high degree of wisdom, use the brain harder, think out more ways and open more avenues to study advanced science and technology as well as advanced methods of operations and management. For this reason, in carrying out this reform, we should see first of all if the leading cadres of the central departments and leading organs concerned of various provinces, regions, prefectures, and cities, especially the economic work departments, have truly emancipated their minds and if our ministers, departmental directors, office heads, division leaders, and section chiefs can handle properly the practical problems encountered in the course of reform. In this respect, our cadres at various levels need to do a great deal to emancipate their minds.

Fourth, have flexible policies for economic work in suburban areas been adopted? Is the necessity of serving the open policy, foreign trade, tourism, and urban people's livelihood clearly understood? There are two big peninsulas in northern China: the Jiaodong and the Liaodong peninsulas. They are good summer retreats and tourism areas. When peoples' income increases, they want to spend money. They want to visit and tour famous mountains and seaside resorts. You have to be ready to accept them when they come to visit your peninsula. This will in turn become a powerful force for propelling your economic development. Policies for economic work in suburban areas should undergo constant readjustment following the development of the open policy.

Fifth, have you thought of also allowing peasants to operate enterprises and hotels in towns and of allowing them to participate in urban construction?

Not only should you allow peasants living in suburban areas to engage in business operations in cities, but you should also allow peasants in other areas of the province and in other provinces to run enterprises and business establishments in the coastal cities.

Sixth, have you adopted flexible policies for stimulating the development of the third industry and for encouraging individuals to operate third industrial businesses? Guangdong's experience has proved that a good method of invigorating the economy and bringing about a new economic situation in a fairly short time is to start developing the third industry. It is absolutely necessary to develop the third industry, because it needs less investment but yields fairly quick returns. Another question is that, in developing any kind of enterprise, it is necessary to link, as closely as possible, the income of staff and workers with the economic results of enterprises. When the economic results of an enterprise rise, it will be able to increase the income of its staff and workers on the condition that it fulfill the state revenue quota and correctly handle the relationship between accumulation and consumption. This is called, "when the river rises, the boat goes up." Why has the industry of many big cities failed to make progress? One of the important reasons is that there are too many restrictions on enterprises and that there is no connection between economic results and the income of staff and workers. Reforms cannot last if economic results are not linked to the income of staff members and workers.

Seventh, have you unfolded a program for employing the new generation and for training promising young people? Have you firmly fostered the concept of respecting knowledge and competent people? Comrade Deng Xiaoping was right when he said that knowledge and talented people were the pivot on which the failure or success of our cause hinges. Since a large number of managerial personnel who have courage and insight and who are good at running the socialist economy have emerged in various trades and professions, you must value them and bring their role into full play.

Eighth, you must dare to criticize the unhealthy and erroneous tendencies cropping up in the course of carrying out reforms. This can be regarded as an emancipation of the mind. When you criticize such tendencies, you must do so on a timely basis, and you should place greater emphasis on education and the work of redeeming those who have made mistakes. You must be bold in punishing serious offenders of laws and discipline. If you stick to this point, you will not be confused by some errors that may crop up in the course of reform. Moreover, it will not be difficult to correct these errors.

Hu Yaobang said: Some foreign friends have commented that the party Central Committee's decision on reforming the economic system is a bold decision of far-reaching significance. Many knowledgeable people know that China is not going to deviate from socialism. The decision of the 3d Plenary Session of the 12th CPC Central Committee explicitly points out that "only socialism can save China." This is a truth discovered by people with lofty ideals in China through over 100 years of struggle. The defects in our economic system of the previous years have become a rigid pattern that fails to meet the needs of the development of the social productive forces. If we can eliminate this rigid pattern through reforms, will our nation become prosperous more quickly? What we should do is uphold the socialist road, do away with this rigid pattern, and build socialist China into a better country.

Those who came with General Secretary Hu Yaobang to inspect Shandong's coastal areas included Wang Zhaoguo, member of the CPC Central Committee and director of the General Office of the CPC Central Committee, and responsible persons of some departments under the CPC Central Committee.

During his inspection of Shandong, Comrade Hu Yaobang was accompanied by Su Yiran, secretary of the Shandong Provincial CPC Committee, and Li Changan, deputy secretary of the committee.

HU YAOBANG MEETS VETERAN YIMENG PARTY MEMBERS

OW291201 Beijing XINHUA Domestic Service in Chinese 0133 GMT 29 Oct 84

[Feature article by XINHUA reporters Mu Qing and Nan Zhenzhong: "The General Secretary's Meeting With Old Party Members" -- XINHUA Domestic Service in Chinese at 0132 GMT on 29 October transmits a service message which reads: "The next item is a feature article The General Secretary's Meeting With Old Party Members From the Yimeng Shan Region." All newspapers please publish the item prominently on the front page, retain its feature form, and publish a relevant picture on the same page."]

[Text] On the morning of 27 October, it was sunny in Rizhao County, with a gentle breeze blowing. Ten excited, white-haired communists from the Yimeng Shan region arrived at the reception room of the county guesthouse, where Hu Yaobang, general secretary of the CPC Central Committee, was waiting for them.

Hu Yaobang cordially said hello to them and asked about their age, place of birth, what Army units they had served in, and the size of their families. Hu Yaobang said: "I invited you to come here today, mainly because I want to listen to your opinions on the work of our party."

Zeng Binghua, a 73-year-old veteran party member faced Hu Yaobang and said: "In the past, the Yimeng Shan region has been very poor. Now we are well-fed and satisfied. Of all the years since I joined the revolution, the situation in the last few years is particularly excellent." Zeng Binghua joined the Central Red Army in Jiangxi in 1933. He was severely wounded during the Jiazi Shan action in 1942, and civilians in the Yimeng Shan region risked their lives to protect him. Today, Zeng Binghua's eldest son is an assistant engineer, and his second son is a clerical secretary in the county. They have no worries about food and clothing. The Civil Affairs Department even gives them tea or snacks as gifts on festival occasions. Zeng Binghua told the general secretary: "The people in the Yimeng Shan region are taking very good care of us old comrades. We are very satisfied."

Wang Renzhi, former deputy secretary of the Linyi Prefectural CPC Committee, and a veteran cadre admitted to the CPC in 1932, said: Since our childhood, people like us have been convinced that landlords could be overthrown, the Japanese devils driven out, and our revolution would surely be victorious. Now, the 3d Plenary Session of the 12th CPC Central Committee has made a decision on reforming the economic structure. I believe that the reform will make our country still more prosperous.

Hu Yaobang said: The people in old revolutionary base areas fought bravely, made great contributions to the revolution, and created a New China. Their contributions will not be forgotten by the people of the whole country. However, the old revolutionary base areas have been taking a tortuous road in the course of socialist construction. Why are the old revolutionary base areas taking a more tortuous road than new liberated regions? One reason is the economic foundation of old revolutionary base areas is relatively fragile. Nevertheless, the primary reason is our incorrect policy. Most of the old revolutionary base areas are located in mountainous regions which have favorable conditions for developing forestry, animal husbandry and production of local indigenous products.

We have not taken advantage of these favorable conditions; on the contrary, we have asked those areas to develop their weaknesses and engage in such practice as "taking grain as the key link." The practice is "preventing someone from using his strong points while forcing him to use his weaknesses," or "seeking a hard way while shunning an easy way." Neither you nor local cadres are to blame for the practice. It was introduced primarily because the central authorities made wrong policy decisions in the past. If people say that you should also take responsibility for it, I think that your only negligence was "insufficient investigation and study."

Hu Yaobang said: Now, the policies of the central authorities are correct. The old revolutionary base areas should be determined to catch up with economically developed regions. Your first step should be to catch up with them, and the second step to surpass them. There are so many veteran party members, veteran cadres, and good people in the Yimeng Shan region. You surely can catch up with and surpass others if you take advantage of your favorable conditions." [quotation marks as received]

Hu Yaobang asked about the wages, income, and living conditions of the veteran party members who participated in this discussion meeting. Li Changan, deputy secretary of the Shandong Provincial CPC Committee, introduced Wei Zhendong, who became well-to-do through fish farming, to the general secretary. Now 62, Wei Zhendong joined the party in 1939, and served as a reconnaissance staff officer in the Binhai Military Sub-district, and also as leader of an armed working team. During the period of the war of resistance against Japan, he led his armed working team to raid the enemy's posts on many occasions. His courage and prestige were well known in Rizhao. At that time, circulating among the Japanese and puppet troops was this saying: "We would rather fight a battalion than fight Wei Zhendong." The enemy offered a reward of 100,000 yuan for his capture. In the liberation war, Wei Zhendong was wounded in the right leg, and he settled in Taoluowu Village, Rizhao County. In this village, there is a moat dug in the period of the war of resistance against Japan. For several years, people had tried to raise fish in the river without success. Last year this veteran comrade with 44 years party standing began raising fish in an 8-mu water area on a contractual basis, and bred more than 6,000 jin of fish the same year. This year, when he attended an aquatic production meeting and saw Comrade Hu Yaobang's instruction on speeding up the production of aquatics, he made a resolve to "quadruple the output." He contracted 67 mu of water area and put in fry of carp and grass carp. This year's fish production is expected to reach about 30,000 jin, or a more than threefold increase over last year's output from the same size water area.

With deep concern, Hu Yaobang asked Wei Zhendong where he got the feed for the fish, and where he bought the fry. Wei Zhendong answered these questions. Then, Hu Yaobang asked Wei Zhendong if his income would exceed 10,000 yuan this year. With a smile, Wei Zhendong said: "My family will become a 20,000-yuan-income household." Hearing this, Hu Yaobang was greatly delighted. He said: The veteran party members and cadres in the Yimeng Shan region should take the lead in becoming well-to-do by working industriously. "Working industriously" includes the use of brains and the study of technology.

At this time, Hu Yaobang chanted an impromptu couplet: "Those who overthrew the three big mountains were heroes; those who realized the great goal of the four modernizations are able persons." Hu Yaobang said to Wei Zhendong: "I shall write out these words as a gift to you." So saying, he stood up, and shook hands with each of the veteran party members. He said: "Please take a short rest. Then, I shall buy you lunch. Now I am going to write out the couplet for Wei Zhendong." Applause, and hearty laughter, were heard in the reception room.

JINGJI GUANLI ON SPEEDING UP REFORM STEPS

HK261015 Beijing JINGJI GUANLI in Chinese No 9, 5 Sep 84 pp 4-7. 47

[Article by Xie Minggan: "Speed Up the Steps in Reform, Give Full Expression to the Superiority of the Socialist System" -- capitalized passage published in boldface]

[Text] In recent times, leading comrades in the party Central Committee and the State Council have reiterated that we must speed up the steps in reform, especially in regard to the urban economy. In his "Government Work Report" to the Second Plenary Session of the Sixth NPC, Comrade Zhao Ziyang said: "From now on our economic work must involve the two major projects of reforming the system and opening up to the outside." He also went on to stress that "the steps in urban reform must be speeded up." This is an extremely important strategic policy and it is of major and deep significance in the promotion of continued improvements in our country's economy and overall prosperity, and the realization of the glorious targets proposed by the 12th CPC Congress.

Strategic Measures for Giving Full Expression to the Superiority of the Socialist System

Marxism tells us that the socialist system is incomparably superior to the capitalist system and that it has emancipated productive forces to an enormous extent, with the result that productive forces have been able to develop at an unimaginable speed. "Social production not only allows us to guarantee a rich and constantly fuller material life for all members of society, it also allows us to guarantee full and free development and utilization of their mental and physical capacities." (Engels: "Anti-Duhring," "Collected Works of Marx and Engels," Vol 20, p 307)

Since the victory of the glorious October Revolution, socialism has spanned a history of more than 60 years. What is the situation after more than 60 years of socialist practice? In overall terms, the economies of all socialist countries have experienced enormous development through the level of production development and the standards to which the people's material lives have improved have not reached the or exceeded the standards of capitalist countries. Looking at the situation in China, after more than 30 years of hardship and struggle, socialist construction has seen enormous successes and there have been considerable improvements in the people's lives. However, we have traveled a difficult and twisted road. At times the superiority of the socialist system has expressed itself well and economic development has been smooth and fast, but at other times the superiority of the socialist system has not expressed itself well and economic development has come up against twists and turns and, as a result, overall socio-economic results have been rather poor.

Why is it that, until now, the superiority of the socialist system has not been consistently well expressed? How can socialist countries catch up with and overtake capitalist countries in economic terms? These are very pressing questions and they demand both our consideration and accurate answers.

Engels said: To free the means of production from the shackles of the capitalist form of production "is the sole prerequisite for the constant and speedy development of the productive forces and thus it is also the sole prerequisite for the limitless growth of production itself." (Ibid., p 307) On the basis of this reasoning the socialist economy has the conditions with which to develop faster than capitalism and with which to create greater labor productivity than capitalism. However this is only an objective possibility.

In order to transform this possibility into a reality, a great deal of hard work is required and things must be done in accordance with objective laws. There must be a series of accurate political policies and lines and there must be scientific management of the economy. Apart from the long-term influence of "leftism" in our guiding ideology, the basic reasons for the fact that economic development in the past has fallen short of the ideal and that the superiority of the socialist system has not been fully expressed, are that the guiding principles of economic construction were divorced from reality while the system of economic management was irrational, and methods of management and administration were backward.

As a result of the restoration of order out of chaos since the 3d Plenary Session of the 11th CPC Central Committee, political problems and problems related to the guiding principles of economic construction have been basically solved. As far as questions concerning the management system and forms of management and administration are concerned, a great deal of work has been done over the past few years and this has produced pleasing results. However in overall terms, the problems are far from being completely solved. If this problem is not solved the socialist system cannot constantly improve itself and the superiority of the socialist system cannot be fully expressed. If this happens, then the realization of the four modernizations and catching up with and exceeding capitalist countries in economic terms all become nothing more than hot air.

Lenin once pointed out with accuracy that after the party has basically completed the take over of political power and the suppression of the exploiters, it "MUST IMMEDIATELY GET TO GRIPS WITH the task of SOLVING MANAGEMENT." He said that "this is one of the most difficult tasks because it requires using new methods to set up a lasting economic foundation for the lives of millions of people." ("Present Tasks in Soviet Political Power," "Selected Works of Lenin," Vol 3, p 496) Reforms of backward systems of management and management styles represent the most important tasks for achieving continued emancipation of productive forces during this period, now that the socialist reconstruction of the system of ownership of production means is complete.

Naturally there is a great urgency to speed up reforms to the economy. If we do not carry out reforms then we cannot smooth out economic relations, improve economic results, and achieve a fundamental turn-around in the country's financial and economic situation. We must adapt to and promote the development of the rural commodity economy and also preserve and continue to give expression to the constantly increasing enthusiasm of the people and to do all this we must reform. We must reform in order to expand our open-door policy and accept the challenge of the new world technological revolution. Reforms are now the central links in all economic work. Reforms are by no means measures of expediency and their far-reaching historical significance lies in the fact that only they can help us find the management system and forms of management administration which will promote the speedy development of the social productive forces and only then can the superiority of the socialist system fully express itself, and win its final victory and supplant capitalism. As a result, reforms are an important and integral part of the overall path of the new historical period of our party and they are strategic measures for expressing the superiority of the socialist system and important guarantees for the realization of socialist modernization. We must work hard to grasp the economic laws of socialism and to study the problems of management in the socialist economy, courageously accepting this glorious historic mission.

Bravely Break Away From Old Traditional Concepts

Reforms are a far-reaching kind of revolution. Although some other socialist countries have carried out economic reforms before us, providing everyone with many experiences and lessons, the fact that we have our own characteristics means that we can only rely on ourselves to probe and practice these reforms. Reforms not only touch on all kinds of production relations and areas of the superstructure which do not suit the development of the productive forces; they also touch on all unsuitable methods of management, activities, and methods of thinking; and they touch on the individual interests of all departments, regions, enterprises, and all strata of the people. As a result, it is hardly surprising that during the process of development of these reforms, we must firmly smash all traditional concepts built up over the years in the past and which now hamper the smooth implementation of reforms.

The duty of the proletariat is to change the objective world and its own subjective world. In order to be successful in economic reforms we must emancipate our thinking and abandon old-fashioned principles which no longer conform with the situation in China or the actual state of development of the productive forces. We must shake off old and traditional concepts, vulgar prejudices, and habits so that our ideological awareness develops and we are consciously standing in the forefront of the reforms. As a result of long periods of erroneous "leftist" thinking and dogmatic understanding of the basic principles of Marxism-Leninism, and as a result of the influence of the remnant ideologies of feudalism and the habits of small production, some comrades are doubtful and suspicious about economic reforms, and their minds are still fettered by all kinds of old frameworks. Thus their hands and feet are bound and this hinders smooth implementation of reforms.

"Can these reforms lead to capitalism?" This is the question which most concerns many people. In actual fact, according to the Marxist principle of the interrelations between the production relations, the productive forces, the superstructure, and the economic foundation, it is only through these reforms that we can ensure that the production relations conform with the actual level of development of the productive forces, and that the superstructure corresponds with the demands of socialist modernized construction. Only through these reforms can the economic foundation be consolidated and developed. In the past, under the ideological guidance of "leftism", production relations involved a unitary system of ownership and unitary styles of management. It was believed that the bigger things were and the more communal they were, the better, and that the more unified things were and the more centralized, the better, and that the smaller the gap between workers' incomes, the better.

As far as the superstructure was concerned, there was massive overstaffing and complexity in administrative bodies and duties and responsibilities were unclear, while powers were too centralized and there was no division between the party and the government and the legal system was incomplete. Practice has proved that in this kind of situation the superiority of the socialist system cannot express itself. Since the 3d Plenary Session of the 11th CPC Central Committee, we have smashed the ideological fetters of "leftism" and restored order out of chaos. We have proposed the mutual existence of diversified forms of economic management within socialism and we have implemented various different kinds of contract responsibility systems. Under the guidance of state planning we have expanded enterprise autonomy and smashed "the iron rice bowl," developing market adjustments and so on.

All of these reforms were carried out under the leadership of the party and the state, relying on the strength of the socialist system itself, and the practice of the millions of people in China. The aim of the reforms is to improve and consolidate the socialist system so that it becomes better and more mature every day, constantly promoting the smooth forward development of the social productive forces. The reforms are not aimed at rocking or deviating from the socialist system. As long as we uphold the fundamental principles of the socialist economy throughout these reforms, then there is no political strength for a capitalist restoration. Thus the economic reforms that we are carrying out cannot in any way lead to capitalism.

"Reforms have put the economy in chaos." For some comrades, the economic models they have in their minds are still those traditional ones which ignore the role of the market mechanism and in which the state takes cares of everything, whatever its degree of importance or size. The problem with this kind of model is that it centers around the word "excessive" or "stifled." The economy is overmanaged to the point of being stifled. The more the system is overmanaged and stifled, the lazier people become; and the lazier they are, the poorer they become; the poorer they become, the more the system is overmanaged and stifled, thus creating a vicious circle, in which everyone is caught up in their poverty.

If things were to continue in this way, how could labor productivity be improved? How could social wealth increase? What superiority would the socialist system still have? What hope would there still be for the four modernizations? Recently Comrade Deng Xiaoping said poverty is not socialism, nor is it communism. The superiority of socialism is that it gradually improves the material and cultural lives of the people. Thus this model of "excessive/stifled -- lazy -- poor" must be reformed. The direction of reforms is enshrined in the word "enliven". In other words -- enlivening the economy. People are only diligent when they are enlivened and the more diligent they are the richer they become, and the richer they are the more enlivened they are. However in the enlivening process, some "chaos" is bound to emerge at some point. This chaos actually throws into chaos all the old things which used to hamper economic enlivenment and the new things which promote economic enlivenment are actually born in this "chaos."

"Reforms give rise to polarization." This is an ideological doubt of some comrades who do not sanction nor want some people to get rich before others. In actual fact the "polarization" of which Marx talked was the phenomenon in society under a system of private ownership of the means of production in which the rich get richer and the poor get poorer: "At one extreme, one has the accumulation of wealth and at the other extreme -- among the class whose products are produced as capital -- one finds accumulation of poverty, the grind of work, slavery, ignorance, uncouthness, and moral decline." ("Das Kapital," Vol 1, "Collected Works of Marx and Engels," Vol 23, p 708). In a socialist society public ownership of the means of production and distribution according to work means that there is no longer a foundation for the emergence of "polarization." Reforms to the economic system have mobilized the enthusiasm of the enterprises and the workers and because some enterprises have managed their affairs well they have gained more, and some workers have become richer because they have made greater contributions and this influences and encourages other enterprises and other workers to also take the road to riches sooner or later, either quickly or more slowly, and to a greater or lesser extent. This then is the objective law for achieving common wealth for everyone and here one finds no trace of the capitalist problems of polarization. What is more, the gap that does exist is a necessary result of implementation of the principle of distribution according to work.

When Marx talked of distribution according to work he said that as a result of differences in people's physical and mental abilities and inequalities in support of the population, it is inevitable that some people will get more in life than others and some will be richer than others. Thus, to demand that everyone increase their income and improve their lives at exactly the same rate does not conform with the principles of socialism. What is more that is impossible in any kind of society. There are always some who will get rich before others and it is impossible for everyone to get rich at the same time. Practice proves that it is possible for everyone to fall into poverty at the same time, just as when China underwent "cutting the tail of capitalism" in the villages and "total dictatorship" during the period of the "gang of four". To take egalitarianism as the superiority of the socialism system -- something which Marx criticized very early on as being "vulgar" and "vacuous" -- is merely a reflection of the small-producer psychology.

"Market adjustments can engender capitalism." This is incorrect too. Market adjustments are adjustments implemented through the spontaneous role of the law of value and they mainly involve the organization of the production and marketing of products by managers on the basis of changes in market supply and demand. The law of value is a universal law of commodity production. In China, commodity production and commodity exchange will continue to exist and develop for a long period of time and the market adjustments linked to them will also continue to play a role. Thus the state can only make use of command and guidance planning and the use of economic levers to directly and indirectly adjust the production and supply of important products which affects the national economy and the livelihood of the people. It cannot influence the economic activities of the entire backbone of enterprises nor can it carry out planned adjustments to the various economic activities being carried out in varying economic forms.

In a historical sense, while commodity production has been passed down to us from a former social set-up, it has never been possible to equate it with capitalism. The prosperous commodity production and commodity exchange taking place in China's cities and rural areas today, as well as the market adjustments taking place within certain limits, are all carried out on the basis of the construction of the system of public ownership of the means of production; the elimination of the system of hired labor and the exploiting classes; and other similar decisive economic conditions. This commodity production and exchange is subject to the control of state planning, policies, and surveillance and it is not permitted to destroy the planned economy or harm the interests of the state or the people. As a result it serves socialism and cannot possibly lead to capitalism.

"To propose speeding up reforms means hotheadedness, which will also produce twists and turns." As soon as developments are good, hotheadedness emerges. The call "to get going and go all out" resulted in all of us suffering a great deal and we should remain alert to this. However, the situation today is different. As a result of the implementation over the last few years of "readjusting, restructuring, consolidating, and improving," China's national economy has overcome serious dislocations and is now on a healthy road of development and new trends of overall stable growth and coordinated development are emerging. The successes of the rural reforms have provided us with rich experiences for urban reforms. Urban workers, cadres, and intellectuals all strongly demand reforms and in every region where there have been model success stories of reform work. The smooth implementation of the substitution of tax for profits is an important premise for speeding up urban reforms.

Even more importantly, our party has now basically completed the work of restoring order out of chaos in terms of ideological guidance and it has made an overall assessment of past experiences and lessons, transforming them into the wealth of the party, drawing up accurate party lines and policies, and thus making it impossible for any future twists and turns to occur. It can be said that it is both necessary and possible to speed up the steps involved in reform work so that within the next few years we must achieve the basic establishment of a socialist economic system of a characteristically Chinese style. The time is now ripe and we have the support of the people. We should grasp this opportunity and open up a new situation in economic reforms.

In the final analysis, all kinds of old and traditional concepts and the various doubts about reform are simply a lack of clear understanding on the part of some comrades about what socialism actually is. The teachers of the proletariat revolution gave us very clear and concise explanations about socialism. Engels said that socialism is not a fixed and unchanging thing, but rather is a frequently changing and developing thing which represents a society undergoing frequent change and reform. ("To Au-bai-ni-ke [1159 0130 1441 0344]," "Collected Works of Marx and Engels," Vol 37, p 443). In terms of society as a whole, reforms are not sudden or unexpected things; rather they are demands of the essential nature of socialism and its developmental laws, and they represent a basic means of making the socialist system more perfect and mature. As a result of deep-rooted "leftist" ideologies, during the 10 years of social chaos, Lin Biao and "the gang of four" criticized many socialist things as being capitalist, thus wreaking chaos with many people's ideologies. Some comrades find it very easy to justify some things which are not socialist things at all, and at the same time to treat as heresy some of the new things which emerge out of reforms and which are basically socialist things; thus they turn right and wrong upside down. We must uphold the principles of socialism and to do this we must uphold reforms. All reform measures which help promote development of the social productive forces and help the prosperity of the state and of the people, must as a consequence conform with the principles of socialism and thus should be supported and encouraged. All old frameworks and old platitudes which do not help promote development of the social productive forces and which do not help the state prosper and the people get rich, do not correspond with the principles of socialism and thus should be rejected, eradicated, and reformed.

Plunge Into Practice and Forge Ahead

Hope for the prosperity of our country and our people lies in reforms and therein lie the fundamental interests of all the people of China. With a highly-tuned sense of being masters of our own affairs and a full revolutionary fervor, we must actively and consciously plunge into the practice of reforms, take part in reforms, and support reforms. At the same time we must assess the experiences of the people in carrying out reforms. We should analyze, explain, and give guidance about Marxism-Leninism so that all test reforms are constantly perfected. This is the unshirkable duty of all economic workers.

The encouraging prosperous new developments we are witnessing demand that we research the economic reforms in China among the limitlessly rich and limitlessly moving reforms that the 1 billion people of China are carrying out, and we must probe and search for a socialist economic system with Chinese characteristics. Today, practice is ahead of theory, unexplained and not encapsulated in prepared textbooks. Theoretical workers have a duty to catch up. Economic reforms can only be smoothly carried out if theoretical work is aimed at economic construction and serves economic construction; only then can theoretical research work gain any vitality of its own.

Reforms are not easily carried out. Comrade Deng Xiaoping once said: "Reforms of production relations and the superstructure will not be smooth sailing. They touch on many different areas and on the personal interests of enormous numbers of people and thus all kinds of complex situations and problems are bound to emerge and we are bound to come up against all kinds of obstacles." ("Selected Works of Deng Xiaoping," p 142). We must come to appreciate the importance and urgency of reforms, be brave in our practice, make breakthroughs, and be innovative. Also, we must not underestimate the enormity and complexity of reforms and we must constantly probe and push forward. As far as the country as a whole is concerned, we cannot as yet draw up a comprehensive and unified reform plan. For our country is enormous and the situation in each region is very different from other regions and thus reforms cannot all be implemented in one go. There should be preparations for one reform and then it should be carried out, and then preparations for another, and so on. Reforms which are not yet ripe and not fully prepared must continue to be tested and, after experience has been gained from the tests, we can gradually propagate the reforms. In this way we avoid rushing headlong into mass action and doing things with one cut of the knife, and we can try to avoid taking any twisting roads and allowing any mistakes to occur. However, we should not, for the sake of being cautious and avoiding mistakes, grow indecisive and simply stagnate. We must be firm and resolute and promote and push forward our reforms in regular order and in a sound and down-to-earth way.

ENTERPRISE VITALITY KEY TO ECONOMIC REFORM

HK261247 Beijing RENMIN RIBAO in Chinese 25 Oct 84 p 5

[Article by Jiang Yiwei: "From Living Cells to Living Body"]

[Text] The 3d Plenary Session of the 12th CPC Central Committee pointed out that the key to restructuring the entire economic system, with a focus on the urban economy, lies in the invigoration of enterprises. It is of great significance in both theory and practice to clearly understand this point.

The second system involves all parts of the economic life and is complex and intricate. What should we grasp as a key link in the economic reform that has a bearing on the overall situation? This is a question we have been studying for a number of years.

It is certain that an intrinsic law exists in things, no matter how intricate they are. As a living body is composed of many living cells of different categories, so the complex and organic entity of the national economy is composed of many basic units. Just as the health of a living body depends on the vitality of its cells, so whether the economy of a society is full of vigor and animation depends on the dynamism of the economic cells. Therefore, it is necessary to first redefine the formation of the economic cells in the restructuring of the economic system, including the character, position, and size of these basic units.

Since the 3d Plenary Session of the 11th CPC Central Committee, the rural reform has made remarkable achievements. The fundamental reason for this is that the rural reform has correctly defined the formation of the cells of the rural economy and has based the new-type rural economy on household operations. This has helped overcome the previous problems caused by rural economic units of excessive size and by the fact that basic economic units lacked decisionmaking power in their operation. With the establishment of the output contract system that pays the way for household operations under collective ownership, peasant households, as cells of the rural economy, have become active in economic activities, and the rural economy as a whole has also become lively and has developed vigorously.

Although urban reform over the past few years was only in an early stage and preliminary, practical experience has fully shown that it is similarly necessary to reshape the formation of economic cells in cities. The cells are enterprises. The character, status, and size of enterprises should be properly defined in order to base the new-type urban economy on enterprise operations. To define the character and status of enterprises, we should realize that an enterprise is a relatively independent commodity producer or operator, and that the functions of an enterprise should be separated from those of a government institution. To specify the size of an enterprise, we should take into account its productivity and production characteristics and must not tend to rig up "large-scale" enterprises with "a high degree of public ownership" on the basis of our wishful thinking.

In recent years, more and more people have gradually come to understand the character and status of enterprises in the course of extending their decisionmaking power. However, attention has not been paid to the issue of specifying the size of enterprises. Many localities and departments have used administrative means to set up a number of large companies and to force some mergers and combinations. This is in fact a practice of seeking the unrealistic "large scale and high degree of public ownership."

The key to restructuring the urban economy, as well as the national economy as a whole, lies in the realistic definition of enterprises as cells of the national economy, which must have a great capacity for independent operation and for self-development. However, this just provides a firm footing for the overall reform. From enlivening the cells to invigorating the whole body of the national economy, we still have to deal with two major issues: First, it is necessary to fully develop the interrelations of these economic cells in line with the objective law that governs the socialist commodity economy. This should include competition between enterprises and cooperation on the basis of voluntary participation and mutual benefit. At the same time, the role of major and minor economic centers should be brought into full play in order to form interwoven and extensive economic networks around these economic centers. Second, on the basis of the full development of the horizontal relations among enterprises, and on the principle of separating enterprises from the functions of government organizations and streamlining administration through decentralization, we should establish a scientific and highly efficient management system from the central government down to local authorities. If we can reasonably and properly establish these horizontal and vertical relationships, we will compose a vigorous living body by linking the hundreds of thousands of living cells together. Under the guidance of the spirit of the 3d Plenary Session of the 12th CPC Central Committee, by proceeding from this, we will certainly be able to open a healthy socialist road with Chinese characteristics for our economic development.

EDITORIAL ON ENSURING ENTERPRISES' POWERS

IK280627 Beijing JINGJI RIBAO in Chinese 20 Oct 84 p 1

Editorial: "Safeguarding Enterprises' Authority by Taking Administrative Measures"]

Text] The key to urban economic reform lies in the invigoration of enterprises. The vitality of an enterprise is related to the power it possesses. An enterprise will become full of vigor if it has decisionmaking power; on the other hand, it will not be able to make any advances if it has no power. The essence of the State Council's provisional regulations on further extending the decisionmaking power of the state industrial enterprises" is to instill more vitality into the enterprises in order to make a new breakthrough in production.

Some facts show that the implementation of these 10-point regulations on extending enterprises' power does not occur without problems. In some areas, decisionmaking power has not been delegated to grassroots enterprises for the past 6 months. This demonstrates the complicated character of the urban economic reform. We must fully realize that the rapid and effective implementation of the "10-point regulations" has a vital bearing on the development of the enterprises and the process of the urban economic reform. We must never treat this lightly.

With regard to the matter of decentralizing management power, leading comrades of the State Council recently pointed out: After the state delegates powers to various ministries, national companies, and localities, attention should be paid to ensuring that management power is really delegated to enterprises; otherwise, large enterprises may still be rigidly controlled while small enterprises become much more active. How can we ensure that enterprises are really vested with decisionmaking power in their operations? The practice of some major cities is to combine administrative measures with the adoption of economic means by formulating concrete regulations and rules in the light of actual conditions in order to ensure that enterprises can have the power.

An important ingredient of the reform of the economic management system is to separate enterprises from the administrative structure and to decentralize the management of enterprises. This is a major measure to invigorate the enterprises. However, this does not mean that administrative institutions may wash their hands of the enterprises. Instead, the administrative institutions should intensify their leadership by applying both economic levers and administrative measures to help enterprises properly use their power and should appropriately inspect and guide the process of decentralization. That is to say, in the course of implementing the "10-point regulations," administrative institutions, including some administrative-like companies, have to bear important responsibilities and have much work to do. They must not just be interested in vying for power with their subordinate enterprises, or this will bungle the important restructuring of the urban economy.

CHONGQING ENTERPRISES GET GREATER POWERS

HK280613 Beijing JINGJI RIBAO in Chinese 20 Oct 84 p 1

[Report: "More Than 500 Enterprises in Chongqing Are Vested With Decisionmaking Power as a Result of the Implementation of the State Council's '10-Point' Regulations"]

[Text] In the course of implementing the State Council's "10-Point Regulations on Expanding the Decisionmaking Power of Enterprises," some companies in Chongqing City have argued with their subordinate factories over the question of which level is entitled to the decisionmaking powers. In view of this, party and administration leading departments in Chongqing City have categorically announced that the decision-making powers are to be vested in factories and other enterprises which directly conduct industrial production and independent accounting, have the duty to pay taxes to the state, and have status as a legal entity. These factories and industrial enterprises should have decisionmaking power in 10 aspects, including the decisions on their production plans, the prices for their products to be sold on their own, the use of enterprise funds, the employment of labor and the handling of personnel affairs, the issuance of wages and bonuses, and cooperation with other enterprises.

However, most companies in the city are just administrative institutions which are equivalent to government bureaus, so they should delegate powers in the above areas to their subordinate factories, rather than expand their own powers, in order to arouse the enthusiasm of the enterprises and workers.

In accordance with the arrangements of the city CPC Committee and the city government, the city Economic Commission and other city administrative departments have worked out concrete measures for streamlining administration and delegating management powers to lower levels, requiring all units to give decisionmaking power to factories and grass-roots enterprises. At the same time, the city authorities also encourage enterprises to demand an immediate transfer of management power from their superior administrative institutions in order to promote the reform of the administrative departments. At present, the 8 industrial bureaus and general companies and the more than 50 administrative companies in the city have made substantial changes in their workstyle and methods. In the past they were used to issuing administrative orders; now they just recommend a number of optional schemes for grassroots enterprises. In the past they concentrated on routine affairs and giving instructions; now they are more interested in providing technical services and organizing development projects. When conducting reforms, in the past they concentrated on the decentralization or centralization of powers and the merger or disbandment of organizations; now they have made major breakthroughs in restructuring the previous systems.

Since the city authorities, bureaus, and companies delegated decisionmaking power to grassroots enterprises, principal leading cadres of various city departments have often made inspections in the enterprises so as to sum up and popularize advanced experience and to promptly discover and solve problems. By so doing, they have helped enterprises properly use their powers. By the end of August, more than 500 industrial and transportation enterprises in the city had been vested with decisionmaking power and the production enthusiasm of enterprises and workers had been greatly increased.

WAN LI, OTHERS ATTEND MEETING ON YANAN'S ECONOMY

HK260432 Beijing RENMIN RIBAO in Chinese 24 Oct 84 p 2

[Report by reporters Jing Xianfeng and Zhang Shanju: "Wan Li, Xi Zhongxun Attend Beijing Meeting on Rejuvenating Yanan's Economy"]

[Text] More than 200 veteran comrades who studied, lived, and fought in Yanan happily met in the Great Hall of the People on the afternoon of 23 October. They discussed the plan to rejuvenate Yanan's economy. Wan Li, Xi Zhongxun, Song Renqiong, and other central leading comrades attended the meeting.

Bai Jinian, secretary of the Shaanxi Provincial CPC Committee, and Gao Shuqi [7559 2885 1477], commissioner of the Yanan Prefectural Commissioner's Office, briefed the participants on the results achieved in the economic construction in Yanan Prefecture since the 3d Plenary Session of the 11th CPC Central Committee. Trees have grown on many formerly barren hills. Many of the small, earthen dwelling caves have been renovated and now have stone walls. In 1983, the total industrial and agricultural output value of the whole prefecture was 1.58 times that of 1978; grain output was 1.49 times greater, fiscal revenue was 2.1 times greater, and the retail sales volume of consumer goods was 1.37 times greater. The problem of feeding and clothing the masses has been basically solved.

Wan Li, Xi Zhongxun, and other responsible comrades were pleased with the changes which have taken place in Yanan Prefecture in the past few years. Comrade Wan Li said: The Yanan people are industrious and brave. Yanan is a sacred place of the Chinese revolution. During the years of war, the Yanan people made enormous contributions toward the revolution. The party and the Chinese people will not forget their contributions. Yanan has rich natural resources. It is imperative to solve the communications and transportation problems and to step up the training and use of qualified personnel. As long as correct policies are adopted and local superiority is brought into full play, Yanan can quicken its pace of economic rejuvenation and the Yanan people can become rich.

In his speech, Xi Zhongxun said: In the near future, the Yanan Prefectural CPC Committee and the Yanan Prefecture Commissioner's Office should attach prime importance to growing grass and planting trees. During their visit to Yanan last year, Comrades Hu Yaobang and Zhao Ziyang stressed the importance of growing grass and planting trees. This should be viewed as the basic policy in Yanan's economic construction. It is also necessary to develop a diversified economy and further develop the economic forestry and food processing industries. Once grass growing is developed, soil and water will be conserved. In short, northern Shaanxi has great potential. Provided the policies are correct and the people are eager to make progress, Yanan will become rich very quickly.

ECONOMY DURING FIRST HALF OF 1984 REVIEWED

HK290723 Beijing JINGJI GUANLI in Chinese No 9, 5 Sep 84 pp 34-35, 14

[Economic commentary by Zhong Yi: "Economic Development During the First Half of 1984" -- capitalized passages published in boldface]

[Text] China's national economy has continued to grow during the first half of 1984. Economic results have improved notably and remarkable achievements have been made during that period. Some uniquely favorable conditions have come into being which can be summarized as follows:

OVERALL INCREASE IN INDUSTRIAL PRODUCTION. All departments and localities have continued to put into effect the policy of readjustment, restructuring, consolidation, and improvement; to carry out in-depth reorganization of enterprises; to conduct timely readjustment of the structure of products in accordance with market changes; to actively step up the production of short-term and marketable goods; and, in particular, to reform the rural economic system step by step. Also, through the implementation of various economic systems, such as the introduction of a revised profits tax system, the contracted responsibility system, and the system of rewarding those who are hard-working and punishing those who are lazy, they have begun to change the enterprises' practice of "eating from the country's big pot" and the workers' practice of "eating from the enterprises' big pot" in a bid to give full play to the enterprises' enthusiasm for production management, to give rein to the laborers' creativity, and to effectively promote the development of industrial production. The major characteristics are as follows:

1. A great and balanced increase in industrial production. The country's total industrial output value during the first half of 1984 was 331.3 billion yuan, an increase of 11.6 percent as compared to the same period last year. With January, when industrial putput value registered an increase of 8 percent as an exception, the other 5 months registered an average increase of 10 percent.

That the increase has been so great and that the continuous increase in production has been so balanced have reflected the fact that China's industrial production has been developing steadily and healthily. Aside from the nation as a whole, more than 20 provinces, autonomous regions, and municipalities directly under the central government, such as Beijing, Tianjin, Hebei, Shanxi, Liaoning, Jilin, Jiangsu, Zhejiang, Fujian, Jiangxi, Shandong, Henan, Hubei, Guangdong, Sichuan, Guizhou, Yunnan, Gansu, Qinghai, and Ningxia have registered an average increase of 10 percent.

2. Light and heavy industries have developed harmoniously. The total light industrial output value during the first half of 1984 was 163.1 billion yuan, an increase of 11.5 percent as compared to the same period last year. The total heavy industrial output value was 168.2 billion yuan, an increase of 11.7 percent. The proportional development of light and heavy industries has undergone great changes in that it has dropped from 1:2.26 during the first half of 1983 to 1:1.02 during the same period this year. Light industry made up 49.2 percent and heavy industry 50.8 percent of the entire industrial sector. The implementation of the readjustment policy has resulted in a continuously rational and harmonious development of light and heavy industries.

3. An overall increase in energy production. The production of energy during 1984 has been continuously promising. The amount of energy produced has grown incessantly. The total amount of energy produced during the first half of 1984 was (when converted to standard fuels) 367.87 million tons, an increase of 8.5 percent as compared to the same period last year. There has been a general increase in coal, electricity, and oil. The production of raw coal has increased by 9.9 percent, that of crude oil by 6.2 percent, and that of electricity by 7.2 percent, the greatest increase since 1979. Such an increase has created a vital condition for the rapid growth in industrial production.

4. The production of major consumer goods and raw materials has increased more rapidly. The production of light industrial goods which are durable and marketable, such as color television sets, domestic refrigerators, electric fans, domestic washing machines, and tape recorders has increased by from 41.6 percent to 160 percent, while textile products such as chemical fibers, synthetic cloth, wool fabric, and knitting wool have increased by from 12.5 percent to 36.3 percent. Metallurgical products such as steel, rolled steel, and cast iron, which are urgently needed for the state's production and construction, have increased by more than 8 percent; while building materials such as timber, synthetic boards, cement, and plate glass have increased by from 8.2 percent to 12.5 percent.

5. The tempo of production of industries of collective and other economic types has been faster than that of state-operated industries. The production of the former during the first half of 1984 has increased by from 16.9 percent to 30.3 percent as against the same period last year, far more than that of the latter, which has only increased by 9.9 percent. The reason urban, neighborhood, and rural industries have developed so rapidly is that such industrial enterprises possess the outstanding qualities of being "small but expert, flexible in management and production." With the ardent implementation of the policies of opening China to the outside world and improving the domestic economy, the superiority of such industrial enterprises has been further manifested.

A GREAT HARVEST IN SUMMAR GRAIN CROPS. Having surmounted various natural calamities, China has continued to enjoy another bumper harvest after 3 years of output increases. According to the initial figures of the departments concerned, the total agricultural yield has increased by 5 percent as compared to last year. Many localities in the north have, to various extents, increased their agricultural yields.

With only a few exceptions, most of the 13 provinces, autonomous regions, and municipalities directly under the state in the south have enjoyed better harvests as compared to last year. Provinces such as Hubei and Jiangsu have increased their agricultural yields by more than 10 percent. Henan Province, which has the largest cultivated area and greatest yield of wheat in the country, has increased its summer yield by more than 10 percent, scoring an output of 32 billion-odd jin. Some counties in various localities have increased their summer yields by more than 100 million jin. Many specialized households selling 10,000 jin of grain to the state have appeared.

We surmounted a lot of difficulties before we enjoyed our summer harvest. The south suffered from an unbroken spell of wet weather since last winter, while the north was plagued by natural calamities such as drought, low temperatures, frost, storms, and hailstones, causing a certain degree of damage to the growth of summer grain. However, after Document No 1 was issued by the CPC Central Committee and the implementation of a series of policies of extending land contracts over more than 15 years, the masses of peasants were reassured that the land policies would remain stable and unchanged for a long period of time. With such effective reassurance, the peasants further improved their production. Furthermore, the departments concerned and the local governments had actively allocated much-needed materials such as diesel oil, fertilizers and pesticides and provided loans and disaster-relief funds to the peasants, and all trades and professions had also offered them great help, thus laying a sound foundation for the summer harvest. At present, the masses of peasants are paying attention to their summer harvest and cultivation and field management. They are striving for a great harvest in fall crops such as grain, cotton, and oil.

KEY CONSTRUCTION PROJECTS HAVE BEEN FURTHER STRENGTHENED

The units under ownership by the whole people have invested 21.73 billion yuan in capital construction during the first half of 1984, an increase of 1.84 billion yuan (9.3 percent as compared to the same period last year. State investment and utilization of foreign investment have increased by 20.7 percent and 1.38 percent respectively. There have been two obvious changes in the investment pattern. First, key construction projects have been further strengthened. The investment in energy, transportation and communications, culture and education and scientific research during the first half of 1984 has increased by 14.8 percent as against the same period last year, making up 45.2 percent of total investment, as compared to 43 percent during the same period last year. Second, there has been an increase in production investment, which rose from 62.9 percent during the first half of 1983 to 64.9 percent during the same period this year; while nonproduction investment dropped from 37.1 percent to 35.1 percent.

With the strengthening of the production of means of production, particularly the strengthening of key construction projects, a batch of new productive forces has been put into operation. Thirteen large and medium-sized projects and 20 individual projects have been completed and put into operation during the first half of 1984. This batch of new productive forces includes the following: production capacity for 300,000 tons of raw coal and 1,406,000 tons of crude oil, generating capacity of 300,000 kw, 218.9 km of electrified rail road, 605.9 km of newly constructed railway already handed over for commercial use, and production capacity for 212,000 tons of machine-made sugar. Such productive forces have laid a material base for our future economic development.

THE DOMESTIC MARKET HAS BECOME MORE AND MORE PROSPEROUS. With the continuous increase in industrial and agricultural production, the supply of goods has become more and more adequate, and both urban and rural markets have become more and more prosperous.

The volume of retail sales of social commodities during the first half of 1984 reached 148.43 billion yuan, an increase of 9.8 percent as compared to the same period last year. The sales of foodstuffs, clothing, and daily necessities have all increased. The sales of foodstuffs have increased by 11.6 percent. The domestic market for nourishing foodstuffs has expanded. Regarding clothing, the monotonous production of cotton textiles has been gradually replaced by a diverse and multitier consumption pattern in which cotton, chemical fibers, blended fabrics, woolens, silk, and wool fabrics are produced. The sales of daily necessities have increased by 14.2 percent. Consumers have become more and more selective in choosing commodities. What interest them most are high-quality durable consumer goods of famous brands. What they want are big color television sets, stereo double-cassette recorders, two-compartment refrigerators, twin-tub washing machines, console and multipurpose electric fans, and AM and FM radio sets. The sales of Children's necessities have boomed. The supply of electronic toys has fallen short of demand. In addition, the demand for means of agricultural production from millions of peasants has increased markedly. The peasants across the country have purchased 23.73 billion yuan's worth of means of agricultural production during the first half of 1984, an increase of 9.1 percent as compared to the same period last year. There has been a change in the peasants' demand for agricultural machinery. A few years ago, most of the peasants purchased small-sized agricultural machinery. Now they have begun to shift to the purchase of large and middle-sized machinery which can be used not only for cultivation but for multipurpose field management. By the end of May 1984, the number of specialized households in Hubei engaging in transportation had grown to 76,000. They own 68,100 motor vehicles (among which more than 1,600 are vehicles for agricultural use). The situation in other localities is relatively similar.

At present, the market is brisk and it is going to be more and more prosperous. Some major features are as follows: First, the circulation of and the channels for commodities have expanded. As the economy has revived and the rural and urban circulation systems have been reformed, the retail business of the collective and individual economic sectors has developed rapidly. The volume of retail sales of the collective and individual economic sectors during the first half of 1984 increased by 13 percent and 70.8 percent respectively as compared to the same period last year. The individual sector, such as restaurants, stalls selling breakfast, and small stalls serving the public in small, medium-sized, and large cities has emerged and mushroomed as the times require. Second, the urban and country fair trade has been further expanded and has become more active this year. Urban trade centers have continually emerged. By the end of June 1984, 50 urban trade centers had been constructed in 22 provinces, localities, and cities. In addition, 147 urban trade centers are under construction. Many medium-sized and big cities have opened morning and evening markets. Beijing's evening market is patronized by an average of 300,000 people every night. The booming market is always crowded. At present, the number of urban and country fairs has reached nearly 50,000. The volume of transactions in the urban and country fair trade reached 20.9 billion yuan, an increase of 7.2 percent as compared to the same period last year.

A GREAT INCREASE IN FOREIGN TRADE. China's total import and export value during the first half of 1984 reached 423.88 billion, an increase of 21.6 percent as compared to the same period last year. Its output value increased by 21.5 percent, while its import value increased by 21.7 percent. China has maintained a favorable foreign trade balance.

THE ECONOMIC RESULTS HAVE OBVIOUSLY BEEN ENHANCED. In recent years China has adopted a series of policies in a bid to blaze a new trail in which the tempo of economic growth is more practical, better economic results can be scored, and the people can enjoy more practical benefits.

In respect to industrial production, attention has been paid to the improvement of production with the aim of enhancing economic results. The figures for the first half of 1984 show that the total industrial output of state-operated industrial enterprises within the budget increased by 10.4 percent as compared to the same period last year. Realized profits tax has increased by 13.1 percent, while the profits tax turned over to the state has increased by 9.4 percent. A concerted growth of production and economic results has been achieved. The existence of such favorable and heartening conditions reflects the fact that China's economic life has been transformed to a benign cycle. There are many reasons for the distinct improvement in economic results. However, the key is the reform of the economic systems, the popular implementation of the system of substituting tax payment for profit delivery, the transformation of enterprises to the production-management type, and the harmonious development of the production, supply, and marketing of goods. It has been proved through practice that a new way will quickly be opened up and the people's enthusiasm will be given full play whenever a sphere is reformed. A "miraculously" favorable situation has come into being in the rural areas. We believe that with the profound reform of the urban economic system, urban industry and other realms of the economy will be further improved.

The remarkable improvement in industrial production and economic results has added much to the public coffers, which increased by 22.6 percent during the first half of 1984 as against the same period last year, far exceeding the growth in production during the same period, and uncommonly favorable condition in recent years.

In sum, we have enjoyed a very sound national economy during the first half of 1984. However, it should be noted that the strain on transportation and communications has not been alleviated, that there are still many discrepancies between the economic management system and the development of the productive forces, and the production potential has by no means been fully tapped. It is therefore necessary for us to pay full attention to the reform of systems and to the policy of opening up the country to the outside world, to adopt effective measures to promote comprehensive and harmonious development in the national economy, and to greatly improve annual economic results in production, construction, and circulation.

Economic Situation Improves

OW272000 Beijing XINHUA Domestic Service in Chinese 0753 GMT 27 Oct 84

[By reporter Xu Yaozhong]

[Text] Beijing, 27 Oct (XINHUA) -- Heartening news was recently reported in all trades of our country. All this news indicates that our national economy has entered a phase of sustained growth and that the overall financial and economic situation is gradually improving.

The 12th CPC Congress held 2 years ago called for bringing about a fundamental turn for the better in the country's financial and economic situation in 5 years. Now, 25 months later, we have already made a significant stride toward this goal.

As the situation in the first 9 months show, there are three major signs indicating that our financial and economic situation is improving :

1. All-round development in production and construction. The increase in the output of summer grain and early rice alone this year surpassed the average annual grain output increase in the 26 years prior to the 3d Plenary Session of the 11th CPC Central Committee.

Now we also have a good harvest of autumn grain and late rice. This is also an exceptionally good year for other crops as well as for forestry, livestock raising, sideline production, and fisheries. The national industrial output value in the first 9 months of this year rose 12.5 percent. An increase of such a big margin was rarely seen in the past many years. The output of many industrial goods vital to the nation's economy and the people's livelihood increased. For example, the crude oil output, which hovered around the level of a little higher than 100 million dun for the past 6 years, will top 110 million dun for the first time this year. Meanwhile, the communications and transportation industries overfulfilled the state plan's progress rate. Construction was accelerated for those key state engineering projects which were at an important stage of construction.

2. Both domestic and foreign trade was brisk and thriving. Thanks to an abundant supply of industrial and agricultural products, a scene of prosperity never seen since the PRC's founding has emerged in both urban and rural markets. The total volume of retail sales in the first 9 months of this year rose 13.3 percent over the corresponding figure of the record-breaking year of 1983. Most of the commodities that were rationed with coupons can now be purchased without restriction and consumers can choose the products they like. Further progress has been made in foreign trade. The nation's export volume in the first 9 months rose 20 percent over the corresponding period in 1983 and we have continued to enjoy a favorable trade balance.

3. Financial revenue increased by a big margin. In the past few years, what with the great amount of capital diverted to solving the problems left over from a long period of time and what with the poor economic results of enterprises, our state financial revenue dropped year after year. The 1982 revenue was only 300 million yuan higher than 1978. As the revenue situation continued to improve, financial revenue in 1983 increased by more than 2.2 billion yuan. The revenue situation in the first 9 months of this year was more heartening. Revenue in that period was 20 percent higher than the corresponding period in 1983 and the revenue increase in the first 9 months surpassed the total revenue increase of 1983.

It goes without saying that the gradual improvement in our financial and economic situation does not amount to a fundamental turn for the better. Presently, transportation is strained and energy and some raw materials are in short supply. Economic results in the areas of production and circulation are still poor. Our financial and material resources still cannot satisfy the growing demands of production, construction, and the people. This requires the cadres and people in all trades and professions to continue to exert themselves, pay special attention to carrying out well the reform of the overall economic system with stress on urban areas, and work harder to bring about a fundamental turn for the better in the country's financial and economic situation.

WANG FANG WRITES ON ELIMINATING FACTIONALISM

HK260847 Beijing RENMIN RIBAO in Chinese 23 Oct 84 p 5

[Article by Wang Fang, secretary of the Zhejiang Provincial CPC Committee: "Do Away With the 'Theory of One Faction Being Correct,' Completely Wipe Out Factionalism"]

[Text] Eliminating factionalism is a key issue in our current efforts to thoroughly negate the "Great Cultural Revolution." At present, a number of cadres and people fail to understand the formulations that "both factions were wrong." They spread, either overtly or covertly, the "theory that one faction was correct" by holding that the faction they had joined or supported was correct. If this theory is not demolished, it will be impossible to eliminate factionalism, still less to thoroughly negate the "Great Cultural Revolution."

The "bases" put forward by the comrades who emphasize that "one faction was correct" are as follows:

First, "ours was a conservative faction which supported leading cadres." In the "Great Cultural Revolution" both factions rebelled against "capitalist-roaders" and, therefore, there could not be a purely "conservative faction" which was not opposed to the leading cadres. Even if it did support a leading cadre, its purpose was to make the cadre support its attempts at wielding power and crushing the other faction. And it always proceeded from a factional stand in supporting or opposing a leading cadre, supporting him if he supported the faction one day and opposing him if he did not support the faction the next day. It kept shifting its ground around factionalism. Therefore, how can we explain the correctness of a faction according to its support for a certain leading cadre at a certain time?

Second, "our faction resisted the erroneous line and stood on the side of the correct line." Naturally, it was possible for a certain faction to resist some erroneous practice of Lin Biao and the "gang of four" at a certain stage, or on a certain issue, or to adhere to its correct view on a certain issue. However, this only showed that it was correct at this stage, on this issue, or in relation to this viewpoint. It did not show that this faction was correct in the whole course of the "Cultural Revolution," on all issues, or in relation to all its viewpoints. Taken as a whole, all factions were unanimous in implementing "leftism" during the "Cultural Revolution" but with varying degrees of exertion.

Third, there is still another "basis" put forward by a small number of cadres and people in Zhejiang Province, that is, that due to the "peculiarity" of their locality, it was correct for the Army to "support the left" and the faction supported by the Army should not be negated. There is no denying the fact that every locality has its own peculiarity, but this peculiarity manifests itself only in the different performances of different localities during the 10 years of internal turmoil and the different specific conditions confronted by the Army in different localities in the course of "supporting the left." However, all this cannot obliterate or replace a universal truth, namely, that the "Great Cultural Revolution" was an "internal turmoil that brought serious disaster to the party, the state, and the people of all nationalities" and that "supporting the left means supporting factionalism." "Supporting the left" was linked together with the erroneous theory and practice of the "Cultural Revolution" and factional struggle. All activities carried out with the support of the Military Control Commission, such as carrying out "struggle-criticism-transformation," setting up "revolutionary committees," conducting mass criticism, purifying the class ranks, carrying out party rectification, and so on, were without exception linked together with factionalism. And their "leftist" ideological influence has not been eliminated. In the so-called "special locality" of Zhejiang Province, the problems relating the dossiers of cadres had not been completely solved by the end of the last year and there were even such conclusions as "capitalist-roaders and renegades" concerning cadres written on their dossiers. In short, the "theory of local peculiarity" is untenable and so is the attempt to use this theory to prove that "one faction was correct."

At present some comrades remain unconvinced by the necessity to negate both factions because they still have some confused ideas in their minds, which should be clarified.

First, they hold that the argument that "both factions were wrong" is an attempt to punish the innocent and the guilty alike without distinguishing right from wrong. As a matter of fact, our objective is to eliminate factionalism. For this reason it is necessary to criticize factionalism.

We refer to the fact that both factions made mistakes and to the nature of their mistakes when we say that both factions were wrong.

We admit that the mistakes made by both factions were different in both quantity and seriousness, but we do not want both factions to vie with each other to see which was better. Although some comrades no longer publicly or categorically adhere to the view that "one faction was correct," they always want to argue which faction was correct and which faction was wrong on specific issues. In doing so, we can only end up with endless quibbling over matters of the past. If we engaged in endless debate over specific or side issues, and consciously or unconsciously land ourselves in a factional whirlpool, unable to extricate ourselves, new factionalism will probably be stirred up and utilized by evil people. This should be prevented. Only by thoroughly negating both factions and unifying our thinking on the basis of the decision of the 6th Plenary Session of the 11th CPC Central Committee is it possible to genuinely distinguish right from wrong. Communist Party members should keep the general goal in sight and refrain from engaging in useless disputes over side issues.

Second, "if both factions are negated, does not this mean that there are no good people?" The error of this view lies in its failure to differentiate a "faction" from a "person" and to differentiate both factions from the masses joining the factions. When we say that both factions were wrong, we do not mean that everyone joining the factions was wrong. For example, when we say that both factions engaged in beating, smashing, and looting, we do not mean that every member of the two factions engaged in beating, smashing, and looting. Both factions wanted to seize power, but it was the leaders, and not the masses of the two factions, that really wanted to seize power (they could serve as officials after seizing power). After smashing the "gang of four," we punished some people because they had made serious mistakes and not because they had joined a certain faction. Different people have a different world outlook and ideological accomplishments. Although they experienced the "Cultural Revolution" and joined different or even the same mass organization, they behaved differently. Even the comrades who made mistakes in the "Cultural Revolution" had different backgrounds of mistakes. The nature, quantity, and seriousness of their mistakes were different, and their attitude toward their mistakes were also different. It is necessary to make a concrete analysis and not lump them together. In eliminating factionalism, it is necessary to adhere to the principle of "criticizing factionalism and not the masses." This is not only because our aim is to remove some people's misgivings but also because it is an approach of seeking truth from facts.

While adhering to the principle of "criticizing factionalism and not the masses," we do not deny the fact that it is necessary for every comrade to sum up his own experiences and lessons in order to help him ideologically wipe out the pernicious influence of the "Cultural Revolution," eliminate "leftist" influence, and attain the aim of thoroughly negating the "Cultural Revolution." There is no denying the fact such a "special historical condition" as the "Cultural Revolution" constitutes an important cause for the mistakes committed by a number of people. However, a materialist should not attribute the cause to an objective factor without finding the subjective cause. A person should not, on the excuse of "both factions being wrong," refuse to draw lessons and even to cover up his mistakes during the "Cultural Revolution." Neither should the comrades who behaved well during the "Cultural Revolution" allow their "good behavior" to become a hindrance to their progress. They should capitalize even less on this to ask the party for help and to seek personal fame and gain.

The key to the elimination of factionalism lies in the attitude of leading cadres at all levels. Facts prove that the cause for our long-term failure to eliminate factionalism is that some leading cadres, who have risen to prominence and who have maintained their positions by engaging in factionalism, do not want to carry out the work of eliminating factionalism but, either overtly or covertly, support or connive some people in engaging in factionalism; that some leading cadres, who have been fettered by various "networks of relationships," dare not offend the persons engaging in factionalism or deal with their actions but adopt the attitude of dodging contradictions and glossing over things in order to stay on good terms; and that some leading cadres befriend or keep people at arm's length according to whether or not these people supported them during the "Cultural Revolution." For this reason, whether or not we can eliminate factionalism and enhance the party spirit represents a severe test for leading cadres at all levels.

We are now entrusted with an important historical mission, which makes it necessary to unite, to bring all positive factors into play, to carry out satisfactorily the reform of the economic system and the policy of opening to the outside world, and to quicken the pace of four modernizations program. If we fail to eliminate factionalism, a number of people will not feel happy. This will make it impossible to arouse their initiative, to organize them into a gigantic force, and to struggle for a common objective. Therefore, eliminating factionalism is necessary not only for thoroughly negating the "Cultural Revolution" but also for carrying out the four modernizations. All Communist Party members and revolutionary cadres must have cardinal principles in mind, take the overall situation into consideration, thoroughly overcome factionalism, and enhance the party spirit.

DENG LIQUN, HAO JIANXIU, OTHERS VISIT PHOTO SHOW

OW280035 Beijing XINHUA Domestic Service in Chinese 1219 GMT 27 Oct 84

[Excerpt] Beijing, 27 Oct (XINHUA) -- The "new appearance of light industry" photo exhibition opened in the Chinese Art Gallery today. The exhibition shows the achievements made by China's light industry in the past 35 years since the founding of the People's Republic.

Leaders such as Deng Liqun, Hao Jianxiu, Bo Yibo, and Wang Kunlun, and some Beijing photographers viewed the exhibition today. The more than 300 color and black and white photos on display in the exhibition were selected from among more than 3,000 contributions.

ANHUI CIRCULAR URGES STUDY OF REFORM DECISION

OW281356 Hefei Anhui Provincial Service in Mandarin 1100 GMT 27 Oct 84

[Excerpts] The Anhui Provincial CPC Committee Propaganda Department and the general office of the provincial party committee's commission for guiding party rectification issued a joint circular on 26 October on conscientiously studying and publicizing the CPC Central Committee's decision on economic reform. The circular called on party committees at all levels throughout the province to organize party members and cadres conscientiously to thoroughly study the important document of the 3d Plenary Session of the 12th CPC Central Committee in order to raise their understanding, unify their thinking, and do a good job in publicizing and explaining the document to the public, in order to promote the current economic reform system with emphasis on reforms in urban areas.

The circular pointed out: The CPC Central Committee's decision on economic reform is a programmatic document for guiding economic reform in our country. It is important for the entire party to study and implement the decision conscientiously and to do their work efficiently, confidently, and courageously in order to win total victory in economic reform. Party committees at all levels should promptly organize party members and cadres to devote part of their time to studying the decision.

The circular called on leading cadres of all localities, departments and units, after raising their understanding and confidence by studying the decision, to conduct investigations and study among the primary units and, in the light of reality, to sum up experiences in economic reform -- especially the experiences in the successful reforms in rural areas -- gained since the 3d Plenary Session of the 11th CPC Central Committee. Leading cadres should, the circular noted, formulate a good reform program after careful study so as to make reforms in all areas a success.

The circular called on theoreticians and leaders of departments concerned to expound and explain the decision theoretically so as to help cadres and the masses correctly understand the decision. At the same time, theoreticians should work with responsible leaders concerned in studying and solving theoretical and practical problems cropping up in the course of carrying out reforms. Moreover, they should summarize practical experiences in accordance with the basic principles of the decision. In publicizing the decision, it should be ensured that what is publicized is identical with the content of the decision.

FUJIAN MEASURES TO ENCOURAGE FOREIGN INVESTMENT

OW271906 Beijing Domestic Service in Mandarin 1600 GMT 26 Oct 84

[Text] Talking with compatriots from Fujian residing in Japan who recently returned for a get-together in Fuzhou, Huang Changxi, vice governor of Fujian, announced Fujian's preferential treatment and policy to attract more Overseas Chinese and foreign investments. These measures are as follows:

1. Chinese-foreign joint ventures have the right to manage their own affairs within the scope of China's laws and decrees and the regulations governing the operation of joint ventures and according to their own characteristics.
2. New joint ventures with contract periods over 10 years are exempt from income tax for the first 2 profit-making years, and only need to pay 50 percent of their income tax for the next 3 years.

3. Production facilities and construction materials imported as a part of the investment are exempt from import duties and from industrial and commercial consolidated tax.

4. With the approval of the department concerned, the export products manufactured by the joint ventures are exempt from industrial and commercial consolidated tax.

Preferential regulations were also adopted with regard to the sale of products, the purchase of material and semi-finished material, and the wages of foreign staff and workers.

FUJIAN, JIANGXI MILITARY UNITS MEET 27 OCT

OW290057 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 27 Oct 84

[Excerpts] Advanced units of Fuzhou Military Region and of Fujian and Jiangxi Provinces that are jointly building spiritual civilization held a meeting in Quanzhou City this morning. Over 400 representatives from Fujian and Jiangxi Provinces attended the ceremonious meeting to exchange experience in building spiritual civilization.

Leading comrades of Fuzhou Military Region Tian Shixing, Cao Punan, Song Weishi, and He Yunfeng; Fujian Provincial Governor Hu Ping; Vice Governor Cai Ninglin; and Jiangxi Provincial Vice Governor Ni Xiance attended the meeting. The PLA General Political Department sent a representative to extend congratulations at the meeting. Ni Xiance, vice governor of Jiangxi Province, presided over the opening ceremony.

Hu Ping, governor of Fujian Province, delivered an opening speech at the meeting. He said: The major task of the meeting is to thoroughly carry out the guidelines of the 3d Plenary Session of the 12th CPC Central Committee, sum up and exchange the two provinces' experience in building spiritual civilization jointly by the army and the people, commend and award the advanced, and plan for future tasks, thereby further promoting spiritual civilization as well as material civilization, which centers on reform of the economic structure.

Cao Punan, deputy political commissar of the Fuzhou Military Region, gave a report entitled: "To Meet the Situation of Reform, Carry Forward the Creative Spirit, and Raise to a New Level the Activities for Jointly Building the Spiritual Civilization by the Army and the People." He said: The building of the two civilizations in the localities has promoted the revolutionization, modernization, and regularization of the military units. But it is necessary to further enhance our ideological understanding, eliminate the leftist influences, and enable the army and the people to better build the spiritual civilization in order to meet the new situation in reform of the economic structure.

MORE JIANGXI UNITS BEGIN PARTY RECTIFICATION

OW281340 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 27 Oct 84

[Text] The second batch of units in Jiangxi Province have begun party rectification. Eleven party rectification liaison officer groups with a total membership of 57, dispatched by the provincial party committee, will go to work in various prefectures and cities in early November.

The primary tasks of the liaison officer groups are to know the situation and the trend of party rectification in their respective prefectures or cities, solicit opinions from various quarters, convey opinions promptly to prefectural and city authorities and to the provincial party committee's party rectification guiding group, and make suggestions to them. The liaison officer group should see to it that the prefectural and city party committees follow the instructions of the provincial party committee and its party rectification guiding group in investigations and handling certain matters. The liaison officer groups play a role in helping, supervising and inspecting party rectification in prefectures and cities, and serve as a link between the localities and the provincial party committee.

The provincial party committee's party rectification guiding group has set the following requirements for the liaison officer groups:

1. The groups should seriously study the documents concerning the party rectification and relevant instruction issued by the party Central Committee and the provincial party committee, enhance their understanding, achieve ideological unity, and understand clearly the basic tasks, principles, policies and methods of party rectification. At present, they should seriously study the documents of the 3d Plenary Session of the 12th CPC Central Committee and correctly know the relationship between party rectification and the economy, between party rectification and reform, and between party rectification and building the socialist material and spiritual civilizations. They should help create a new situation of socialist modernization in the course of party rectification.
2. The groups should pay attention to working methods and do efficient party rectification liaison work.
3. The groups should persistently seek truth from facts, stress investigation and study, dare to uphold principles and put major efforts into discovering and solving problems.
4. The groups should seriously assist the prefectural and city party committees in rectifying the prefectural and city leading bodies.

Before they leave for various prefectures and cities, the liaison officer groups will seriously study the documents of the 3d Plenary Session of the 12th CPC Central Committee, the Decision of the Party Central Committee on Party Rectification and other relevant documents. They will also thoroughly discuss the tasks and working methods of the liaison officers. (Xu Wenlou), director of the organization department, member of the party rectification guiding group, and the party rectification office of the provincial party committee, addressed the liaison officers.

SHANDONG ISSUES CIRCULAR ON DECISION STUDY

SK280452 Jinan Shandong Provincial Service in Mandarin 2300 GMT 27 Oct 84

[Excerpts] On 26 October, the Shandong Provincial CPC Committee issued a circular on study and implementation of the guidelines of the 3d Plenary Session of the 12th CPC Central Committee. The circular states: The 3d Plenary Session of the 12th CPC Central Committee was an extremely important meeting. The CPC Central Committee's decision on the reform of the economic system approved at the session is a programmatic document with important immediate and far-reaching historical significance which guides our country's economic system reform. To organize cadres, party members, and the masses to study earnestly and implement the decision correctly is a major political task for party committees at all levels, who should pay close attention to it and carry it out successfully. With regard to some questions concerning the study and implementation, the circular urges:

1. To study and implement the decision is a protracted task calling for unremitting study and continuous practice. At present, we should devote a certain period of time to organizing all cadres and party members in study in a well-guided way. We should particularly pay attention to the study of leading cadres at all levels.
2. After understanding and mastering the guidelines of the documents, all localities and departments should conduct thorough investigations and research, sum up the experiences of previous reform, and formulate measures for further reform through discussion.

Pertinent departments under the direct control of the province should put forward tentative ideas for the reform of areas within the authority of the province according to the principles stipulated in the decision. They should also solicit the opinions of various prefectures and cities. The leading party group of the provincial government will sum up the opinions and submit a preliminary plan to the provincial CPC Committee for discussion. All localities, departments, and units should resolutely solve the problems they can when they are sure of success rather than wait.

3. We should guide and promote the current reform and other work, with the guidelines of the decision. We should pay attention to production in the last 2 months of this year, strive to further overfulfill this year's production targets and make good preparations for next year's production. Party rectification units of provincial organs should conscientiously do a good job in rectification and correction of mistakes and promote economic construction and other work.

4. The provincial CPC Committee has decided to hold an enlarged Standing Committee meeting in early November to study the documents of the 3d Plenary Session of the 12th CPC Central Committee, to discuss preparations for the convocation of the 4th plenary session of the 4th provincial CPC Committee, and to work out plans for the second stage of the party rectification work.

CHEN GUODONG VISITS SHANGHAI STUDENTS IN BEIJING

OW260847 Shanghai City Service in Mandarin 2300 GMT 25 Oct 84

[Text] According to a JIEFANG RIBAO correspondent's special dispatch from Beijing, Chen Guodong and Yang Di, respectively first secretary and secretary of the Shanghai Municipal CPC Committee, visited the Party School of the CPC Central Committee on the afternoon of 25 October. They conveyed to Shanghai students studying there the principal guidelines of the 3d Plenary Session of the 12th CPC Central Committee and the central leading comrades' directives on work in Shanghai. They urged the students to conscientiously study the documents of that session in conjunction with the economic and social development strategy of Shanghai.

Comrade Chen Guodong said: To play a multiform role, Shanghai should transform its traditional industry, develop light and new industries, and foster the third [service] industry in line with the directives of the party Central Committee and the State Council. Our municipality should not only exert great efforts to quadruple the total value of its annual industrial and agricultural output by the year 2000, but also make a due contribution to the cause of quadrupling the total value of the country's annual industrial and agricultural output. In setting statistical indexes, Shanghai should attach importance to and use the term gross national product. Comrade Yang Di urged the students to regard their party school's courses as a refuelling station, and do their share in the transformation and revitalization of Shanghai.

ZHEJIANG URGES STRONG ECONOMIC LEGAL SYSTEM

OW290453 Hangzhou Zhejiang Provincial Service in Mandarin 0400 GMT 28 Oct 84

[Text] The General Office of the Zhejiang Provincial People's Government recently transmitted the provincial Economic Law Research Center's views on strengthening the economic legal system, which had been approved by the leadership of the provincial People's Government.

In its views, the provincial Economic Law Research Center pointed out: With the development of the four modernizations, implementation of the policy of opening to the outside world and revitalizing the domestic economy and of deepening the economic system's reform, it is now urgent to strengthen the economic legal system. Departments at various levels should do work well in the following aspects:

1. Efforts should be made to enable cadres, workers, and staff members to enhance their understanding of the urgency and importance of implementing the economic legal system.
2. Economic law enforcement organizations should be set up or strengthened.
3. Economic legislation should be strengthened.
4. Efforts should be made to do research on economic laws and to publicize such laws in order to raise the consciousness of cadres and people in acting according to law in economic activities.
5. The training of cadres enforcing economic laws should be stepped up.

WANG FANG, OTHERS MOURN ZHEJIANG VICE GOVERNOR

OW280527 Hangzhou Zhejiang Provincial Service in Mandarin 1000 GMT 27 Oct 84

[Excerpts] A memorial service for Comrade Zhang Zhaowan, member of the Standing Committee of the Zhejiang Provincial CPC Committee and permanent vice governor of Zhejiang, was held in Hangzhou this morning. There were wreaths from the State Council, the Organization Department of the CPC Central Committee, the Nanjing Military Region of the PLA, and the East Sea Fleet of the PLA Navy.

There were also wreaths from Comrade Zhang Zhaowan's friends, including Gu Mu, Li Peng, Zhang Jingfu, Jiang Hua, Zhang Ming, Chen Weida, Huo Shilian, Lin Hujia, Li Xuezhi, Chen Bin, Lu Xuzhang, Wu Yeshan, Yan Wuhong, (Song Xianzhang), Wang Weicheng, (Xiao Jie), Yang Guangqi, and (Zhou Shaotang).

Leading comrades of party, government, and Army organizations in Zhejiang attended the memorial service. They included Wang Fang, Xue Ju, Chen Fawen, Luo Dong, Shen Guifang, Zhang Xiufu, Li Dexin, Ma Jiliang, Tie Ying, Li Fengping, Kang Mingcai, and Wang Jiayang.

GUANGDONG CPPCC VICE CHAIRMAN CHEN YILIN DIES

HK270643 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 26 Oct 84

[Text] Comrade Chen Yilin, deputy to the Sixth NPC, vice chairman of the Fifth Guangdong Provincial CPPCC Committee, Standing Committee member of the Central Committee of the Chinese Peasants and Workers Democratic Party, and chairman of the Guangdong Provincial Chinese Peasants and Workers Democratic Party, died of a heart attack in Guangzhou in the early hours of 18 October at the age of 72.

A memorial meeting was held for him this morning at the Guangzhou funeral home. Among those who sent wreaths were Ji Fang, chairman of the Central Committee of the Chinese Peasants and Workers Democratic Party; members of the Central Advisory Commission who are in Guangdong; responsible people of the provincial CPC Committee, the provincial Advisory Commission, the Standing Committee of the provincial People's Congress, the provincial People's Government, the provincial CPPCC Committee, the provincial Chinese Peasants and Workers Democratic Party, and the provincial and city departments concerned, including Ren Zhongyi, Liu Tianfu, Lin Ruo, Liang Lingguang, (Li Jianzhen), Xie Fei, Wu Nansheng, Wang Ning, (Wang De), Ou Mengjie, Kou Qingyan, Luo Tian, and Liang Weilin; responsible people of the provincial and city democratic parties; and relatives and friends of the late Comrade Chen Yilin.

Among the units that sent wreathswere the NPC Standing Committee, the CPPCC National Committee, the Central Committee of the Chinese Peasants and Workers Democratic Party, the United Front Work Department of the CPC Central Committee, the Guangdong Provincial CPC Committee, the provincial Advisory Commission, the Standing Committee of the provincial People's Congress, the provincial People's Government, the provincial and city committees of the Chinese Peasants and Workers Democratic Party, the provincial and city committees of various democratic parties, the Meixian Commissioner's Office, and the Meixian City CPPCC Committee.

Present at the memorial meeting were some 600 people including Lin Ruo, Xie Fei, Kou Qingyan, Luo Tian, Yang Li, Liang Weilin, Zheng Qun, Luo Jun, Wang Yue, Zeng Tianjie, Guo Qiaoran, Wu Juetian, and friends of the late Comrade Chen Yilin.

The memorial meeting was presided over by Comrade Liang Weilin, chairman of the provincial CPPCC Committee. Comrade Zheng Qun, vice chairman of the provincial CPPCC Committee and director of the provincial United Front Work Department, delivered a memorial speech. Before the memorial meeting, responsible comrades of the provincial CPC Committee and government and responsible people from various circles attending the memorial meeting paid their last respects to the remains of Comrade Chen Yilin and expressed their deep sympathy toward his family.

GUANGXI MEETING ANALYZES DEFICIT SITUATION

HK260853 Nanning Guangxi Regional Service in Mandarin 1130 GMT 24 Oct 84

[Text] On the evening of 22 October, the regional People's Government held a telephone meeting, urging various departments and areas to grasp financial work in the coming 2 months and strive to achieve a balance between the region's revenue and expenditures this year.

The meeting made an analysis of the region's situation regarding financial revenue and expenditures from January to September this year. By the end of September the region fulfilled 72.1 percent of the year's revenue budget, and revenues in this period were 5.8 percent more than of the same period last year.

It fulfilled 66.8 percent of the year's expenditure budget, and expenditures in this period were 18.7 percent more than that of the same period last year.

The meeting held that from January to September the region failed to satisfactorily fulfill its revenue target in terms of readjusted comparable figure. In particular, since the beginning of July, there has been a declining trend in the region's financial revenues, which have failed to grow at the same rate as the growth rate of the gross industrial output value. The major reasons for this are the relatively poor economic results from the region's enterprises, the growing number of businesses that suffered losses, increases in profit delivery, and the failure to simultaneously increase output, profits and financial revenue. Controls over expenditures have also been slackened. Some areas and units have paid various kinds of subsidies in an excessive manner. The sharp increase in our expenditures the past year must arouse the attention of the various areas and departments.

The meeting pointed out that in order to ensure a balance between revenue and expenditures this year, we must grasp the following aspects of our work in the coming 2 months:

1. We should strive to grasp the production of cigarettes, sugar and other products. The areas which have been assigned the tasks of producing cigarettes should ensure, under the prerequisite of striving to improve the quality of cigarettes, the fulfillment of the tasks of cigarette production assigned by the region. The busy season is approaching, and the various areas should continue to make satisfactory preparation for the harvesting, transporting and processing of sugarcane, thus ensuring the smooth progress of production during the busy season.
2. We should vigorously grasp the work of transforming losses into profits in our enterprises and strive to raise our economic results. Various areas and departments should examine and analyze the work of switching from losses to profits, adopt vigorous measures in light of the problems discovered, vigorously grasp this work for 2 months and be sure to fulfill this year's tasks for switching from losses to profits.
3. We should quickly carry out a financial inspection throughout the region centered on inspecting cases of tax evasion and the evasion of profit delivery, and recovery of the amounts due. This is an important link in fulfilling this year's financial tasks. The finance and tax departments in various areas should organize the work force to carry out inspections in order to collect the amounts of taxes and profits that are due. At the same time they should strengthen the administration of tax collection in the rural areas and in the markets.
4. We should conscientiously control our expenditures. From now on, except for special cases, no areas or departments should create any new items of expenditure. They should strictly control the standards of their expenditures, and they are not allowed to expand the scope or heighten the level of spending without authorization. Furthermore, they should reduce various kinds of public spending in order to contain the amounts of expenditures within the scope allowed by the budget and prevent spending from exceeding the budget. By so doing we will achieve a financial balance at various levels.

The meeting also called on the various areas to adopt effective measures to vigorously fulfill and overfulfill this year's tasks to collect energy and communications development funds and to issue national bonds.

GUANGXI REFORM SEEKS TO CURB UNHEALTHY TRENDS

HK270734 Nanning Guangxi Regional Service in Mandarin 1130 GMT 25 Oct 84

[Text] From 18 to 22 October in Nanning, the regional CPC Discipline Inspection Committee held a forum of the responsible comrades of all the prefectural and city discipline inspection committees.

At the forum, Comrade (Li Ying), deputy secretary of the regional CPC Discipline Inspection Committee, relayed the spirit of forum of the discipline inspection committees of the five provinces, and regions in central and southern China, a forum called by the CPC Central Discipline Inspection Commission.

By studying the documents of the 12th CPC National Congress, the participants in the forum expressed their determination to firmly put an end to unhealthy trends, including the malpractice of exploiting one's power to pursue individual gains and some serious bureaucratic practices. They also expressed their support for the all-round economic structural reform, centered on the reforms of our urban areas, and their desire to promote these reforms. In the process of studying the documents of the 12th CPC National Congress, they conducted lively discussions in light of reality and thus reached a unanimous opinion that the new situation has raised an even more exacting demand on the party's discipline inspection work. Therefore, the discipline inspection committees at all levels must organize discipline inspection cadres to conscientiously study the documents of the 3d Plenary Session of the 12th CPC Central Committee, continue to eliminate the influence of leftist thoughts, straighten out the ideas that guide them in their work, and thus enable their discipline inspection work to more satisfactorily serve the party's general tasks and goals and to serve Guangxi's goal of bringing about an upswing in its economy sooner than in other areas.

In light of the spirit of the discipline inspection work forum of the five central and southern provinces and regions and in light of the reality in Guangxi, the forum proposed: At present the discipline inspection committees at all levels in our region must conscientiously and satisfactorily grasp the following aspects of their work:

1. These committees should enthusiastically support and promote the reforms. The discipline inspection committees at all levels should regard the spirit of the 3d Plenary Session of the 12th CPC Central Committee as their guideline and deepen their investigation and study. In particular, they should often go deep into economic departments to take part in and thus become familiar with the reforms. They should firmly support and protect all the reforms that conform to the four basic principles and the party's current policies and that are useful to the state and the people. They should make clear investigations and seriously handle the activities that violate the discipline, such as the practice of hindering the implementation of the party's principles and policies and that of taking advantage of the reforms to exploit one's power and pursue individual gains.
2. We should conscientiously achieve a marked turn for the better in our party workstyle. This is the central task for the discipline inspection committees at all levels. At present we should adopt the method of each level grasping the situation in the next lowest level, in order to know the number of units where the party workstyle is good and that of the units where there are serious problems. We should also divide our enterprises into two different categories and give them different guidance. The party committees at and above the county level should inspect and assess the party workstyle there, establish a system of inspection and assessment, and correct, through criticism and self-criticism, the malpractices of exploiting one's power to pursue individual gains, serious bureaucratic practices, and other unhealthy trends.
3. We should continue to satisfactorily grasp the struggle of cracking down on serious economic crimes. We should grasp the work of investigating and handling cases and regard the departments that manage money, materials, and goods most often or in the largest quantities as the key areas of investigation. We should leave no spot untouched and should deepen the struggle.
4. We should grasp the work of establishing and perfecting discipline inspection organizations and strengthening their work force in order to meet the demands resulting from the development of discipline inspection work and of the situation.

HUBEI TRAINING COURSE NEGATES CULTURAL REVOLUTION

HK260859 Wuhan Hubei Provincial Service in Mandarin 1100 GMT 24 Oct 84

[Excerpts] The first and second batches of party rectification units at the provincial level ran training courses respectively at the end of September and in the beginning and middle of October to conduct education in totally negating the Cultural Revolution for party members and cadres. This played a good part in eliminating leftist influences and factionalism, strengthening party spirit, and correcting party style.

In this education in negating the Cultural Revolution conducted by the first and second batches of party rectification units at the provincial level, there were four special features as follows:

1. Leaders took the lead. The propaganda, economic, planning, scientific, and educational departments respectively ran rotational training courses for the party members and cadres at the departmental and bureau levels of their own departments. They spent 4 to 5 days' time on the study of documents, including the relevant chapters and paragraphs of the resolutions adopted at the 6th Plenary Session of the 11th CPC Central Committee. In connection with the realities of their own units and of their individual ideology, they conducted lively discussions.

2. Realities were linked with discussion. In connection with the realities of the party members' ideology and of work of their own units, all units organized party members and cadres who are party members to unfold a lively discussion. Many party members and cadres who are party members in units which were conducting comparison and examination regarded the total negation of the Cultural Revolution as an important content of self-examination and conscientiously checked up their own ideology and summed up experiences and lessons. In accordance with the spirit of totally negating the Cultural Revolution, units which were carrying out rectification and correction have eliminated leftist influences and have corrected the guiding ideology in work to promote reform.

3. Factionalism was eliminated and the party spirit strengthened. In the course of study this time, many party members and cadres who are party members analyzed the formation and development of factionalism in the Great Cultural Revolution and presented all current manifestations and the harm of factionalism. They held that factionalism is really a chronic and stubborn disease. We must vigorously eliminate it. To get rid of factionalism, we must view the problem as a whole. The Great Cultural Revolution was on the whole incorrect. The organizations of all factions engendered in the Cultural Revolution are likewise incorrect. The problem of which faction is correct does not exist. We must carry out more self-criticisms, must do a good job in unity on our own initiative, must take the situation as a whole into consideration, must be united, must look forward, and must make concerted efforts to embark on the four modernizations.

4. Positive education was persistently conducted. Many units conducted heart-to-heart talks. Regarding people who made one mistake or another and comrades who did not clearly understand certain problems of totally negating the Cultural Revolution, all units did not exert pressure on them and gave them enlightenment until they became aware of their mistakes. Two comrades of a certain unit had dissenting views on some specific problems of negating the Cultural Revolution. They published a lengthy written statement of their views. In the rotational training course run by their unit they said: If we had done so in the past, we would have surely been criticized and denounced, would have come under attack from all sides, and would have even been imprisoned. Now we are allowed to talk about our own viewpoint in the rotational training course. We are deeply touched.

WUHAN MAYOR COMMENTS ON ECONOMIC REFORM

OW260750 Beijing XINHUA in English 0730 GMT 26 Oct 84

[Text] Wuhan, October 26 (XINHUA) -- Wuhan, the largest industrial city in central China, will hire some foreign experts to be directors of a number of local enterprises, Mayor Wu Quanzheng said here today.

The move will come as part of a plan to introduce into the city foreign technology and managerial experience and to expand its economic ties with countries overseas. The municipal government will also set up agencies in the United States, Federal Germany and Hong Kong to study and import advanced equipment and technology. Wu, 45, said the State Council had granted Wuhan, an important port city along the Yangtze and a railway hub, the status of a province in economic management. The municipal government could now approve schemes involving investment and technology valued at up to 5 million U.S. dollars. Since the beginning of this year, he said, the municipal government had sent economic delegations to Federal Germany, the United States, Japan, Italy and France. Agreements reached between Wuhan and these countries involved a total of 50 million U.S. dollars, and a large number of projects would be contracted, he added.

Wu estimated that Wuhan would take in 150 million to 200 million U.S. dollars of foreign investment and foreign exchange earnings annually. The money would be spent on importing equipment and technology to speed the upgrading of metallurgical, machine building, electronics, plastic and food processing industries and telecommunications equipment. The reforms, which began on a trial basis in Wuhan in May, had instilled new vitality into the city, he said. The extension of decision-making powers and other reforms had made its enterprises more dynamic, with total industrial output value increasing 9.3 percent in the first nine months of this year over the corresponding period of 1983. Municipal government revenue also rose by 11.9 percent. More and more businessmen from other parts of the country and abroad were coming to Wuhan to do business or run enterprises, helping break down regional barriers.

A new economic network linked with other parts of China and the world market was being formed in Wuhan, Wu said. However, he noted, the reforms of the past few months were limited because more drastic changes would call for breakthroughs in China's national planning, price and wage systems. Now that these big problems had been settled at the Third Plenary Session of the 12th Communist Party Central Committee held last week, he added, thorough reforms were now possible.

Wu said future moves aimed at invigorating the local economy and establishing more economic contacts with other parts of China and the world would include:

-- The continued expansion of the decision-making powers of enterprises. More attention would be paid to the use of pricing, taxation, credit and other economic levers, and more flexible policies adopted to invigorate enterprises and circulation;

-- The development of service trades, tourism, information, construction banking and other industries to attract more investors and tourists;

-- And restructuring government organizations, and adopting new systems of selecting, rewarding and penalizing officials.

As a port city with a vast rural market around it, Wu said, Wuhan could attract more and more far-sighted foreign investors, as China's coastal cities had done.

GUIZHOU HOLDS FORUM ON LIGHT, TEXTILE PRODUCTS

HK270922 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 25 Oct 84

[Text] A recent provincial forum held in Zunyi on developing the province's new light and textile products pointed out that the province has favorable conditions and great potential and prospects in developing new light and textile products.

The forum held that in recent years the province has scored great successes in developing new light and textile products. It has made contributions in terms of invigorating the economy and developing the local light and textile industries. However, the results are still far behind national standards.

The forum stressed that the development of the province's new light and textile products must conform to the developmental trends in social life and must serve to improve the people's livelihood. We must take the consumers into account and try our best to meet their demands on the appearance and properties of products. We must also meet different demands in different areas, such as urban and rural areas and export and domestic sales, such as urban and rural areas and export and domestic sales, so as to choose the correct production direction. We must be bold in utilizing new technologies and new raw materials. We must utilize in an all-round, rational way the province's natural resources and give play to the local characteristics.

GUIZHOU HOLDS FORUM ON ENTERPRISE LEADING BODIES

HK260855 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 23 Oct 84

[Text] From 17 to 23 October, the Organization Department of the provincial CPC Committee held a forum on building the leading bodies of the province's enterprises. Zhang Yuhuan, vice governor and member of the Standing Committee of the provincial CPC Committee, delivered a speech at the forum.

The forum suggested: By consolidating enterprises in the past 2 years or so and by giving first priority to making the cadres more revolutionary, we have reduced the overall age of the members of the leading bodies of the province's enterprises, and made them better educated and professionally competent. Consequently there have been rather important changes in enterprises.

In order to adapt ourselves to the current situation characterized by the development of our economy, and to meet the challenge of the world's new technical revolution, the forum made the following suggestions on how to speed up the building of the leading bodies of our province's enterprises:

1. Party committees at all levels, organization departments, and departments in charge of enterprises should further deepen their understanding, emancipate their thinking, and regard the task of making members of leading bodies of enterprises more revolutionary, younger in average age, better educated, and more professionally competent as soon as possible as an important and urgent task for the organizational front. In addition, they should also strengthen their leadership over this work.

2. It is necessary to staff the leading bodies with highly trained people and strictly adhere to the principle of making the cadres more revolutionary, younger in average age, better educated, and more professionally competent and, on the basis of actual circumstances in our province, to make the leading bodies smaller in size but highly trained. The members of the leading bodies should be relatively young, well educated people who can remain at their posts for 5 to 8 years and whose professional training is suited to their jobs. In this way there can be a rational division of labor.

3. It is necessary to acquire an idea of how to recruit people in the new period and to put fine young and middle-aged cadres with both political integrity and ability, particularly those in their 40's, in important positions on the frontline. In selecting people, it is necessary to adhere to the mass line. It is necessary to pay close attention to their qualifications as well as to their real abilities and their organizational and administrative abilities.
4. It is necessary to make proper arrangements for those cadres who have left the leading bodies and to give play to their roles.
5. It is necessary to formulate plans for readjusting the leading bodies of enterprises, to apply the responsibility system, and to let the organs to which the enterprises are subordinate shoulder their responsibilities. It is necessary to organize forces to give appropriate guidance and to devote vigorous efforts to implementing plans. Consolidated leading bodies should be inspected by organs at higher levels.
6. After consolidating the leading bodies of enterprises, we should pay close attention to building the new leading bodies and to the selection and training of reserve cadres.

GUIZHOU SEPARATES GOVERNMENT, COMMUNE MANAGEMENT

HK280458 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 23 Oct 84

[Text] Our province has thoroughly completed the task of separating government administration from commune management and the task of establishing township CPC committee and township people's governments. Between 1982, when we launched our first pilot project in Longli County's (Chengxiang) commune on separating government administration from commune management and establishing township CPC committees and township people's governments, and 23 October 1984, the province has established 3,200 townships, 354 nationality townships, and 239 towns on the basis of its 3,679 communes. Originally the province had 112 towns. Now the province has 3,881 townships and towns. These townships and towns have their own party committees, governments, and economic organizations. In addition, on the basis of its production brigades, the province has the leadership of the township committees and party people's governments.

In many parts of the province, as a result of the separation of government administration from commune management, the township party committees have freed themselves from routine work and can devote their time and energy to implementing the party's line, principles, and policies. They have strengthened the ideological and organizational construction of the party. On the other hand, the township people's governments have strengthened cultural construction, public security work, nationality work, and administrative work, and they are functioning properly. Under the leadership of the township party committees and the township people's governments, the economic organizations exercise decisionmaking power in developing production and revitalizing the economy. Agricultural production, industrial production, and sideline production have improved. They have achieved some initial success in their work.

SICHUAN PUBLISHES BOOK ON SPECIALIZED HOUSEHOLDS

HK270837 Chengdu Sichuan Provincial Service in Mandarin 2300 GMT 25 Oct 84

[Text] According to SICHUAN RIBAO, in order to sum up and publicize the outstanding deeds of specialized households in the rural areas in our province and their experience in getting rich, the Sichuan Provincial CPC Committee, in accepting a suggestion made by Comrade Tan Qilong, assigned its policy research office, agricultural research office, and propaganda department the task of compiling a book on outstanding specialized households, in cooperation with various units throughout the province.

This book, based on materials collected in thorough investigations, is entitled "Heroes in Rural Sichuan: Stories of Specialized Households in Rural Areas in Sichuan." It is going to be published by the Publishing House of the Sichuan Provincial Academy of Social Sciences.

"Heroes in Rural Sichuan," as a book recording the outstanding deeds of the specialized households in rural areas, consists of 100 reports, newsletters, feature reports, and interviews. These articles, written in a vivid style based on truthful and moving source materials, detail the advanced work of 100 typical specialized households in the rural areas of our province who are engaged in different fields such as planting, animal husbandry and fishery, processing, transport, marketing, storage, construction, mining, culture, scientific and technological research, and service trades. From different angles, these articles sum up the valuable experience of these specialized households in taking the initiative in getting rid of poverty and becoming rich, following the inspiration of the CPC Central Committee's policy of enriching the people. The book enthusiastically praises the lofty spirit of these specialized households who have bravely blazed new trails; boldly launched reform; feared no danger, rumor, slander, criticism, or artificially imposed obstacles; courageously smashed the bond of leftist influences and force of habit; and forged ahead dauntlessly on the road to becoming rich through hard work and promoting commodity production. The publication of this book will serve as a powerful impetus to the growth of specialized households and the development of commodity production in the rural areas of our province. It is bound to inspire the vast number of cadres and the broad masses to emancipate their minds and carry on the urban reform.

Along with the report, today's SICHUAN RIBAO also carries an inscription written by Comrade Tan Qiong to mark the publication of the book. The inscription reads as follows: The specialized household is the representative of the advanced productive forces in the rural areas, the forerunner in getting rich through hard work, and the pioneer in promoting commodity production. The newspaper also features the foreword for the book by Comrade Yang Rudai.

XIZANG PLA UNITS TO ENSURE TRANSPORTATION SAFETY

HK270714 Lhasa Xizang Regional Service in Mandarin 1130 GMT 24 Oct 84

[Text] The military depot section of the PLA General Logistics Department recently sent three work groups, led by section chief (Huang Maozhou), to the forefront of troop transportation to conduct investigations and solve problems to ensure the smooth progress of the work of sending out demobilized soldiers and bringing in the new military men this year.

Every year troop transportation work is a difficult task for the military depot section because transportation safety needs to be ensured. In addition, the problem of room and board must be solved. This year the section should not only shoulder the task of sending out demobilized soldiers and bringing in new soldiers, but also help transport more than 2,000 laborers working on public projects. This year's transport task is heavier than in previous years. In addition, after the convening of the forum on the work of Xizang, various construction projects in our region have been speeded up and freight volume has greatly increased. The number of specialized households engaged in transportation has gone up considerably. All this has intensified the work load along the Xizang-Qinghai highway.

To do the work of sending out demobilized soldiers and bringing in new soldiers well, the military depot section held a special meeting. To ensure transportation safety, a slogan of slowing down, yielding, and pulling over wherever necessary was put forth.

Vehicles should be dispatched in accordance with rules and regulations. A minor check-up is needed when a vehicle has traveled 30 km. A thorough check-up should be made after 60 km. It was also stressed that leaders should go to the frontline to personally guide the work. In the meantime, sufficient material preparations should be made to satisfactorily provide room and board for the passengers. Some military depots also organized varied and interesting literary and art activities to enliven the spiritual life of the passengers. At present, the first half of the troop transportation task has been completed, and no accidents have happened so far.

XIZANG YOUTH FEDERATION, STUDENTS' MEETINGS END

HK280950 Lhasa Xizang Regional Service in Mandarin 1130 GMT 26 Oct 84

[Text] The 7-day first session of the third committee of the Xizang Youth Federation and the first regional students' congress ended in Lhasa on the morning of 26 October. The meetings called on youth of various circles and nationalities and students in middle schools and colleges to unite, study hard, boldly forge ahead, to strive to train themselves to become new people of socialism with ideals, ethics, culture, and a sense of discipline, and to struggle to build, prosperous, and high-cultured new Xizang.

After thorough exchange of opinions and discussions, (Dawang Jigme), deputy head of the preparatory group of Xizang University, was elected chairman of the third committee of the Xizang Youth Federation. (Chu Jia), deputy secretary of the regional CYL Committee; (Geng Yanjun), deputy secretary of the Lhasa City CYL Committee; (Bai Landi), a student at Xizang Normal College; and (Dongren Jigme Wangxiu), regional CPPCC Standing Committee member, were elected vice chairmen. (Bai Landi) was elected chairman of the presidium of the Xizang Students' Federation. (Qian Bo) of the Xizang agricultural and animal husbandry institute, (Wang Gui) of the regional public security policemen's school, (Jiren Luobu) of the regional Lhasa middle school, and (Xiang Yingjun) of the Lhasa City No 1 middle school were elected vice chairmen of the presidium of the Xizang Students' Federation.

(Siji Duanzhu), deputy head of the preparatory group of the third committee of the Xizang Youth Federation and deputy director of the Xizang Regional United Front Work Department, and (Bai Landi), newly elected chairman of the presidium of the students' federation, respectively delivered closing speeches at the two meetings.

XIZANG MEETING COMMENDS TRANSPORT WORKERS

HK260612 Lhasa Xizang Regional Service in Mandarin 1130 GMT 24 Oct 84

[Excerpts] On 23 October, a delegation sent by the regional CPC Committee, Standing Committee of the regional People's Congress, regional People's Government, and the Chengdu PLA units to convey greeting to those who are involved in the joint activities of the Army and civilians in building a modern Xizang-Sichuan transport line held a meeting at the auditorium of Xizang Military District's club. Regards were extended at the meeting to the broad masses of cadres, workers, and staff members on the traffic, communications, and transportation front; officers and men of the PLA motor transport corps; and other relevant coordinated units in Lasha District which have made outstanding contributions to building a modern Xizang-Sichuan transport line. Responsible comrades from the regional CPC Committee, CPC Committee of the Chengdu PLA units, regional Advisory Committee, Standing Committee of the regional People's Congress, regional People's Government, and Xizang Military District Wang Jinquan, (Zheng Xin), (Hou Jie), Peng Zhe, (Hu Changqi), (Liu Yongkang), (Lu Chen), (Ku Junxian) (Zhang Jun), and others attended the meeting.

The meeting was presided over by (Chen Jialiang), deputy political commissar of the Logistics Department of the Xizang Military District and deputy secretary general of the delegation conveying greetings to those who are involved in the joint activities of the Army and civilians in building a modern Xizang-Sichuan transport line. (Hou Jie), member of the Standing Committee of the regional Advisory Committee and head of the delegation, delivered a speech at the meeting.

In his speech, (Hou Jie) said: encouraged by the spirit of the 12th CPC National Congress, since March last year, the broad masses of army men and people along the Xizang-Sichuan line have simultaneously grasped the building of the two civilizations and carried out in a down-to-earth manner the joint activities by the Army and the people of building a spiritual civilization. The activities have spread from isolated areas into the whole area. At present, a new and civilized situation has been created in which the Army and the people as well as the Zang and Han nationalities work together as members of the same family. In addition, transport workers and highway builders closely cooperate with each other. (Zheng Xin), member of the Standing Committee of the Chengdu PLA units, director of the Logistics Department of the Chengdu PLA units, and deputy head of the delegation, also spoke at the meeting.

At the meeting, silk banners were presented to 24 advanced units, including the CPC Committee of Dagze County, the CPC Committee of Gongbogyamda County, the regional communications and transportation bureau, the PLA motor transport corps, and others, as well as other coordinated units. Peng De, vice chairman of the Standing Committee of the regional People's Congress, and deputy head of the delegation, read out a letter from the delegation to the army men and people of various localities along the Xizang-Sichuan transport line.

YUNNAN GOVERNOR STRESSES REFORM AT WORK FORUM

HK260736 Kunming Yunnan Provincial Service in Mandarin 2300 GMT 24 Oct 84

[Text] At the provincial forum on quadrupling the total output value of agriculture, which was held yesterday, Pu Chaozhu, deputy secretary of the provincial CPC Committee and governor of Yunnan, said: It will be impossible to quadruple the gross value of agriculture by merely producing primary products and not developing the processing industry. Quadrupling agriculture means confronting the new and important task of restructuring the production system.

In his speech, Comrade Pu Chaozhu first discussed the issue of understanding the rural situation. He said: The situation in the rural areas is excellent. Since the 3d Plenary Session of the 11th CPC Central Committee, we have reaped bumper harvests for 5 successive years and there have emerged more than 790,000 major and specialized households and economic associations, which have accelerated the pace of the specialization and socialization of agriculture. The latent potential of agriculture is being exploited and the agricultural situation is indeed improving.

It will be difficult to quadruple the agricultural output by just relying on the traditional production system and on increasing the output of primary products. In order to quadruple the agricultural output, we should establish a new production system and turn one trade into eight trades; that is, besides farming, we must also develop the breeding, mining, and processing industries, commerce and transport, the service trade, the coal and electrical energy industries, and the building materials industry. Only when most of the primary products provided by the peasants engaged in animal husbandry are processed into commodities can we quadruple the output value.

Comrade Pu Chaozhu said: Although the agricultural situation is excellent, the development is uneven, which is manifested in the situation in different regions and trades. In this regard, the per capita annual actual income of the rural population in (Gandu) District and (Yujie) City, which are relatively developed in commodity production, is around 400 yuan, whereas the per capita income of more than 10 million people in the poor and mountainous areas is under 120 yuan. The production of grain and other main economic crops has developed relatively quickly in recent years due to the relaxation of farming policies. However, there are still many restrictions. Although we have straightened out the management system in forestry, there are still restrictions in processing and circulation. The policies for the processing industry, mining, commerce and transport, and other trades are not yet relaxed and the question of how to carry out the work in rural areas has not been determined.

Comrade Pu Chaozhu emphatically pointed out: How can we evaluate the current rural situation? In my opinion, our agriculture is now entering a new stage of development. It is moving from the restructuring of the agricultural management system centered on the household contracted responsibility system with payment linked to output to the restructuring of the agricultural economic setup centered on the readjustment of the production system. The main task at this stage is to transfer a large number of labor forces from farming to exploit new sources of production, establish new trades, and build a modernized and socialist new agriculture system with distinctive Chinese characteristics. Viewed in this regard, agriculture is now facing a strategic new historical change.

BEIJING CONFISCATES ILLEGAL RESALES INCOME

OW280331 Beijing XINHUA Domestic Service in Chinese 1448 GMT 27 Oct 84

[By reporters Ni Xiaolin and Xin Qiang]

[Excerpts] Beijing, 27 Oct (XINHUA) -- The Beijing Municipal Price Inspection Department, acting at the instruction of the Beijing Municipal CPC Committee and government, recently investigated and handled a case involving more than 20 organizations, including the business departments of the Yilai industrial company and the Duoli scientific and technical goods and stationery company, that violated the party's price policy, engaged in speculation, and resold color television sets at higher than authorized prices. The price inspection department imposed economic sanctions upon the profiteers.

On 22 September of this year, the business department of the Yilai industrial company bought at wholesale prices 605 color television sets from the Beijing television plant. Of those sets, 405 Peony brand 18-inch sets were bought at 1,255.5 yuan per set, and 200 Telefunken brand 20-inch sets were bought at 1,581 yuan per set. The business department of the company sold 185 sets to consumers at retail prices, kept 35 sets in stock, and resold the remaining 385 sets to other firms, including the Duoli scientific and technical goods and stationery company and the Zhonghai industrial and economic development company, at either state-approved retail prices or 10 percent more than the state-approved prices. Those firms then profiteered by reselling the merchandise to other firms at still higher prices. In Beijing Municipality alone, 29 organizations were involved in the resales, and some of the merchandise changed hands as many as six times. At last, the 20-inch Telefunken sets were sold to customers for 2,380 yuan each, 680 yuan more than the state-approved retail price; and the 18-inch Peony sets were sold for 1,600 yuan each, 250 yuan more than the state-approved price.

Li Xinming, secretary of the Beijing Municipal CPC Committee, instructed the municipal Price Inspection Department to deal sternly with the case. The Beijing Municipal Price Bureau, acting in accordance with the instructions of the municipal party committee and the municipal government, recently confiscated all the illegal income of the profiteering resellers and fined the principal violators, including the Yilai company.

BEIJING HANDLES BUREAUCRATIC POWER ABUSES

OW270631 Beijing XINHUA Domestic Service in Chinese 1132 GMT 26 Oct 84

[By reporters Huang Zhimin and Wang Tong]

[Text] Beijing, 26 Oct (XINHUA) -- In the past 2 months, the Beijing municipal party committee has conscientiously investigated and dealt with questions of serious bureaucracy and evil practices of using one's position and power to seek personal gains, which were discovered in the course of party rectification. Thus far, 74 percent of the cases involving this type of question have been handled.

Shortly after the party rectification was unfolded last November, the Beijing municipal party committee took the cases of the Chongwenmen Hotel's ousting of guests and the abuse of power to occupy excessive living quarters by Li Zoujun, a supervisor of the urban construction and development company, as the targets for correcting mistakes while carrying out party rectification and for correcting mistakes before party rectification. These two cases were published in the newspapers. The municipal party committee then made vigorous efforts to tackle questions of cadres' and party members' abuse of power, and uncovered 398 cases of malpractices in housing construction and allocation and 257 cases of irregularities in recruiting workers.

In order to promptly handle these serious questions, the Beijing municipal party committee ordered all units to establish a responsibility system to investigate and handle the cases. All major cases should be registered and put on record separately, handled at various levels by special personnel, and investigated successively within a time limit. In enforcing discipline, leaders at all levels should neither intercede for anyone nor interfere with the investigation. Owing to the clearly defined responsibility and the courage to confront the tough with toughness, many cases, which for some time could not be settled because of evasion of responsibility, were handled promptly. Liu Shiwei, former secretary of the party general branch and manager of the Beijing Municipal Yungding Forestry, Industry, and Commerce Company, had fabricated personnel records for years, illegally transferred 68 persons from agricultural to non-agricultural households, received bribes of more than 4,800 yuan, and embezzled over 1,200 yuan worth of public property. To deal with the serious questions concerning Liu Shiwei, departments concerned organized a 21-member joint investigation group. But, because of serious obstruction, the investigation work bogged down after 6 months. Some people were reluctant to testify because they had received some favors from him; others were unwilling to testify because they were afraid of getting in trouble; and still others did not dare to testify because the case involved several leading cadres. During the rectification and correction phase, the Beijing municipal party committee instructed that the case be taken as a typical example and investigated and handled promptly. The municipal Discipline Inspection Commission called a conference of departments concerned to unify their understanding of the case, and finally discovered the truth of this tough case. Liu Shiwei was arrested according to law in August of this year.

The courage to wage a firm and impartial struggle against those who have assumed a bold attitude in doggedly engaging in evil practices is a prominent characteristic of the rectification and correction work in Beijing Municipality. Wang Peichao, a former security cadre of the Renmin bearing plant who originally worked in another locality, obtained forged documents through establishing a relationship with someone, and illegally set up his residence in the municipality. He also forced his wife, who was living in the countryside, to divorce him. The victim repeatedly lodged complaints to his superior. The problem dragged on and was not handled for 6 years because several departments concerned shifted responsibility to each other. By overcoming interferences and making determined efforts to investigate and handle the case, the municipal party committee and the municipal Discipline Inspection Commission solved this long-standing problem, caused by evasion of responsibility, in 10 days. Wang Peichao was expelled from the party and fired by the plant. His registered urban residence was annulled and he was sent back to his original domicile. In the course of party rectification, Beijing Municipality has dared to tackle a host of bad bureaucratic habits in the economic sphere. According to municipal Industrial Department statistics, more than 1,000 cases of graft and theft, with a total amount of more than 1 million yuan, have been exposed in the struggle to clamp down on serious economic crimes. Seventeen cases of serious bureaucracy initially exposed by the three corporations under the department have caused 27 million yuan of economic losses to the state. Tackling two cases of poor management at the Changyang wool washing plant and the filigree mounting plant, which had caused several hundred thousand yuan in economic losses, the municipal Economic Commission called a meeting to analyze the grave harm of bureaucracy and called on all units to resolutely overcome inertia and laxness and dare to combat bad bureaucratic habits, thereby promptly fostering an atmosphere of opposing bureaucracy in the industrial and transportation departments.

Beijing Municipality has achieved initial success in investigating and handling major cases. So far, 338 unauthorized houses and 77 mu of illegally used farmland have been vacated, and some 45,200 yuan has been repaid for public property or materials illegally seized. In particular, work to recruit workers this year has received favorable comment from the masses.

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Before the work began, newspapers published a new recruitment method based on unified examination and employment according to merits. A total of 150,000 people took part in the examination in the first half of this year and no irregularities such as establishing a relationship with someone, submitting a recommendation letter, or going through the back door were reported.

The Beijing municipal party committee is currently using the fruitful results in investigating and handling the cases to deepen the education on party spirit, party style, and party discipline in order to enable the large number of party members and the broad masses of people to understand from the results the actual effect of the correction of mistakes while carrying out party rectification and the correction of mistakes before the party rectification, and thus enhance their confidence in the success of party rectification.

THREE-CATEGORY LIAONING CADRES EXPELLED FROM CPC

SK290504 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 27 Oct 84

[Text] Pan Bohuang, former deputy editor-in-chief of the BENXI RIBAO office, and Liu Yongheng, member of the editorial committee of the office, caused grave consequences during the Great Cultural Revolution by setting up factions through the use of sectarians, rising in rebellion in order to seize power, and by actively scheming and conducting activities to frame and persecute cadres and the masses. In launching the movement of exposure, criticism, and investigation, they were put in important posts and sneaked into the leading body because their wrongdoings were ignored.

In conducting the party rectification drive, the Benxi City CPC Committee made a thorough investigation of their mistakes. Recently, the party organization of the BENXI RIBAO office adopted through discussion the decision to label them as three-category elements and to dismiss them from the party. This was also approved by the city Discipline Inspection Commission.

Prior to the Cultural Revolution, Pan Bohuan's post was deputy director of the political and cultural department of the newspaper office. During the Cultural Revolution, he was the principal leader of the office's critical organization and great alliance group. After smashing the gang of four, he not only received a two-grade higher pay raise, but also was promoted to deputy editor-in-chief of the newspaper office and was given the unprincipled support of some leading personnel of the Propaganda Department of the former city CPC Committee and of the newspaper office.

In the early stages of the Cultural Revolution, Pan Bohuang put up big-character posters and wrote a large amount of printed materials confounding black with white and fabricating charges. As a result, Bai Xiaoyu, former deputy editor-in-chief of the newspaper office, was framed as a follower of a sinister line and an antiparty element. He became mentally and physically disabled in all aspects of his life due to brutal persecution.

Pan Bohuang also schemed to instigate some persons to interrogate Li Huiqin, a young reporter at the newspaper office, and to obtain confessions by compulsion and beatings. As a result, Li Huiqin became distraught and died in a psychiatric hospital in 1982.

Since the movement to conduct exposure, criticism, and investigations, the newspaper staff has steadily exposed the wrongdoings committed by Pan Bohuang and Liu Yongheng. They not only failed to actively examine their mistakes, but also conducted resistance publicly, and totally rejected their mistakes, proven to be wrong by clear evidence.

During the Cultural Revolution, Liu Yongheng was the political commissar of the revolutionary force in the newspaper office and was in charge of criticism-struggle meetings on many occasions. He also took personal charge of conducting interrogations to obtain forced confessions, bringing about great damage to the prestige of cadres and staff throughout the office. In conducting examination and investigation in 1977, Liu Yongheng successively put up big-character posters on four occasions in order to cover up his mistakes and to divert investigators' attention by framing backbone personnel and comrades in charge of conducting investigations of his cases. In readjusting wages in 1978, Liu Yongheng also conducted factionalist activities such as setting up an underground alliance in order to resist investigation, personally issuing brief notes. Since the party rectification drive, Liu Yongheng has also held resentment against the investigation and disposition of his mistakes, saying that he will debate controversies over differing opinions for the next 10,000 years.

Commentary on 'Dangerous Elements'

SK290532 Shenyang Liaoning Provincial Service in Mandarin 2200 GMT 27 Oct 84

[Commentary: "An Important Issue in the Elimination of the Three Types of Persons"]

[Excerpts] Comrade Deng Xiaoping pointed out long ago that the three types of persons were the most dangerous of elements. A group of them has been examined and handled, and their ideas and behavior have been corrected. A certain number of them had not changed their positions but are hidden in the party. The practices of exposing the case of Pan Bohuang and Liu Yongheng and expelling them from the party proved again that the views of the leading comrade of the central authority are completely correct.

Judging from this startling fact, we may see clearly that the three types of persons are the most dangerous of elements. We must pay attention to this issue in the elimination of the three types of persons. Those who shield and make the most of the three types of persons are also dangerous because they take advantage of their functions to help the three types of persons get by under false pretenses. Some even promoted and put three types of persons into important positions, sneaking them into leading bodies.

Practice has proven that these persons caused damage to the interests of the party and the people and affected the smooth progress of the work of eliminating the three types of persons. Therefore, party organizations at all levels should thoroughly and clearly sort out and strictly handle cases of shielding and making the most of three types of persons while eliminating the three types of persons from the party. We should also conscientiously implement the guidelines of the decision of the central authority on party rectification, and strictly stop the three types of persons and persons with serious mistakes from sneaking into leading bodies. Further attention must be paid to not selecting and promoting these persons to the third echelon. We must expel from their posts those who have sneaked into leading bodies and the third echelon. We must never be negligent or lower our guard, and we must carry out the work of eliminating the three types of persons to the end.

NEW GANSU ECONOMIC JOURNAL BEGINS PUBLICATION

HK280909 Lanzhou Gansu Provincial Service in Mandarin 1100 GMT 26 Oct 84

[Text] SHANG JING XUE KAN, [COMMERCIAL AND ECONOMIC JOURNAL], an academic journal published by the Commercial and Economic Society of Gansu, started publication in Lanzhou recently. The major aims of this journal are to study Marxist commercial and economic theories; to look into the laws of commodity circulation; to thoroughly investigate and discuss new circumstances and new problems emerging in the commercial reform in light of the past, present, and future of the commercial development in our province; and to help to build a socialist commercial system with Chinese characteristics, to constantly improve our province's commercial work, and to create a new situation in commercial work.

Based on the actual needs of the commercial reform, SHANG JING XUE KAN will carry academic theses on commercial economics, investigation reports, articles on special topics, and reports on economic activities, written by commercial personnel in our province.

GANSU TAKES EMERGENCY MEASURES TO SAVE PANDAS

OW271152 Beijing XINHUA in English 0746 GMT 27 Oct 84

[Text] Lanzhou, October 27 (XINHUA) -- Thanks to emergency measures taken, no giant panda has been found dead in a mountainous area in southern Gansu Province although the withering of arrow bamboo threatened the pandas there with starvation.

This was announced by Xu Jintian, deputy director of the Baishuijiang nature reserve covering 200,000 hectares in this mountainous area. The nature reserve is the habitat of about (?2200) giant pandas -- an ancient species found in China only.

The rescue efforts, made in response to an emergency call by the provincial government, include regular patrols in the famine areas. "Two sick, starving pandas found by rescue workers are being raised in captivity," Xu said. One is a baby. "It weighed less than five kilograms when it was brought in by a rescue team last year," Xu said. "It now weights 40 kilograms." The other, caught earlier this year, has gone from 60 to 100 kilograms. "However, the famine is far from over because of further arrow bamboo withering," he said.

More observation posts are planned because of this and the approach of winter, and rescue workers will follow the animals' movements still more closely. If worse comes to worst, Xu said, rescue workers will spread food in panda haunts.

According to earlier reports, 27 sick and starving giant pandas were found in other parts of the country, 21 of which have been saved and six died. Besides, rescue workers have found 21 giant panda bodies in the wild.

JOURNAL ON DENG DISCOURSE ON HONG KONG ISSUE

HK261029 Hong Kong KUANG CHIAO CHING in Chinese No 145, 16 Oct 84 pp 8-11

[Report: "Deng Xiaoping's 'Unbiased' Talk"]

[Text] This talk was published after KUANG CHIAO CHING reporters interviewed some representatives attending National Day celebrations and on the basis of the minutes of 3 October, which have been proofread and corrected. These are the most complete minutes of Deng Xiaoping's talk on Hong Kong's future after the initialing of the Sino-British agreement. Quite a number of new ideas are explained in the minutes, which, we believe, will arouse our readers' interest.

Deng Xiaoping: (to T.K. Ann) When did we meet? We have met more than once. (to Henry Fok and K.C. Wong) We have met several times. (to all) I have not met most of you.

Many Hong Kong people have come here to attend National Day celebrations. I believe that Hong Kong is certainly full of promise.

It Is Not Good To Demand Uniformity of Views Among Those Present

People from various trades, enterprises, and circles have come here to attend National Day celebrations. People who hold different political viewpoints have also come. I do not think it is good to demand a uniformity of views among those of you present. People in various trades and undertakings and those having different political viewpoints agree with recovering Hong Kong and with the contents of the Sino-British agreement. This means that we have a common prerequisite and aim, that is, maintaining Hong Kong's stability and prosperity both in these 13 years and after 1997. In short, the prerequisite and aim refers to loving the motherland and Hong Kong.

Young People Have Superiority

Personally, I am very happy today to see so many people here. Through our common efforts, Hong Kong will certainly undergo the 13-year transitional period well. Thirteen years from now, those of you present who are 60 to 70 years of age now will not be so full of vigor as you are now and will not be able to do much. But I can see many young people among you. In terms of vigor, young people have superiority, and we are nearly outmoded. (laughter)

T.K. Ann: The people of the country commonly wish you good health and a long life. After the Sino-British agreement was made known to the public, quite a number of people said that it was excellent.

Some People Are Worried That the Policy Will Change

Deng Xiaoping: Let us start from here. Personally, I wish I could live until 1997 to see the handover of Hong Kong and the resumption of the exercise of sovereignty over it. There is no need for me to live longer than that. (laughter)

We know some people are worried that our policies will change after we are no longer around. Thank you for trusting old men like us. They say our policies will not change while we are still around but will change when we are no longer around. Therefore, today the first thing I would like to say is that our policies will not change. No one can change them. As these policies have yielded tangible results and are correct, the people are in favor of them. And since the people are in favor of them, those who change them will be opposed by the people. A change is not necessarily bad -- sometimes it is good. The problem is what is changed.

Is China's recovery of sovereignty over Hong Kong not a change? (laughter) So do not speak of fearing a change in general terms. I know all of you are worried that the contents of the "joint declaration" will change. I tell you that they definitely will not change.

Even in the past years of turmoil, in the international arena, the Central Government and the CPC Central Committee meant what they said. Our foreign policy is consistent and we always abide by international treaties. Why did we fix 1997 for the date of recovery? Is this not a political treaty? The United States took part in the Korean war. At the time China was just founded and was in great difficulty. Chairman Mao warned the United States that if it launched attacks on Korea, China would not stand idly by. The world did not believe this, thinking that China did not have the ability and courage to fight the Americans. But the Chinese people do not believe in hearsay. There was a song at that time: Valiantly and spiritedly, the Chinese Army crossed Yalu Jiang and fought with the Americans for 3 years. This means that we kept our promise and were not afraid of making sacrifices, no matter how great they were. Since then, China began to enjoy an international reputation, and people began to know that China meant what it said. We meant what we said even during the turbulent years of the "Cultural Revolution." This is our tradition as well as a good point of our nation. This is trustworthiness, and we are trustworthy. Not only do we have this tradition, but our predecessors also had such a tradition. This is our nation's tradition. It is also a manifestation of the style of this ancient, great country. Being a great and proud country, it has its own dignity and principles to follow. This generation will not change, nor will the next generation. Because we said Hong Kong will remain unchanged for 50 years, it will remain unchanged for 50 years. As for matters 50 years later, we cannot bother about them. (laughter) For 50 years the mainland will develop. By then, will people still be mean about these problems? So do not worry. There will be no change. If there is a change, it will be a change for the better. But do not believe that everything will remain unchanged. Will all the provisions in the "joint declaration" remain completely unchanged in 10 to 20 years? There is no reason for saying so. But a change, if any, will definitely not infringe upon the interests of the Hong Kong people; it will only be beneficial to Hong Kong's prosperity and development. Such a change is worth welcoming.

Another problem is the worry about intervention. We cannot worry about all types of intervention. Certain intervention is necessary. The problem is whether this intervention is beneficial to Hong Kong and its stability and prosperity. If it is beneficial to Hong Kong's stability and prosperity and to the interests of the Hong Kong people, why should it not be welcomed?

T.K. Ann: This intervention is a kind of help and cannot be regarded as intervention.

Deng Xiaoping: It seems that Hong Kong will undergo the 13 years in an orderly manner and after the 13 years, it will undergo another 50 years in an orderly manner. I have confidence in this. But do not presume that there is no destructive force. Destructive forces can come from various sides. If a disturbance occurs, the Central Government will intervene in order to bring order out of the disturbance. Will such intervention be welcomed or refused? So matters should be analyzed in a specific manner.

For example, the participation in the 13-year transitional period, which I mentioned last time, is a kind of intervention. The Sino-British agreement stipulates that we will not participate in the first half of the transitional period but will participate in the latter half of the transitional period.

Of course, it does not refer to Beijing's participation but to Hong Kong residents' participation. The Central Government supports Hong Kong residents' participation. It is unimaginable that a group of new officials will assume office on the night of 30 June 1997. Will a disturbance not occur because they are not familiar with their work? Even if no disturbance occurs, confusion would take place.

In the last 6 to 7 years of the latter half of the transitional period, a number of young and talented people will participate in Hong Kong Government administration on the recommendation of Hong Kong's various trades and undertakings. Financial circles will also recommend persons. It will not do to not participate in Hong Kong Government administration. In the course of participation, we can have the opportunity to discover and select talented persons for administering Hong Kong after 1997.

There Is Only One Condition for Participation: Loving the Motherland and Hong Kong

The participants should possess only one quality, that is, they should be patriots and should love the motherland and Hong Kong. The system will still be Hong Kong's current system, that is, the capitalist system. After 1997, persons in power in the Hong Kong Government will still practice the capitalist system. There is only one criterion for selecting such persons -- that is, loving the motherland and Hong Kong. They should not do anything harmful to the motherland or Hong Kong compatriots. This is participation, which is also intervention. Therefore, we must oppose either participation or intervention in general terms.

It Would Be Best If We Could Select Persons With Unbiased Views

The policies worked out either during the transitional period or after 1997 will not change, and the principle of Hong Kong residents administering Hong Kong will not change. The Central Government will appoint persons to administer Hong Kong on the recommendation of the Hong Kong people. Beijing will not send persons to administer Hong Kong. Here I would like to disclose a little: In selecting persons, try to select as few leftists as possible. We should also select leftists, as there are leftists, middle-of-the-roaders, and rightists in society. It would be best if we could select persons with unbiased views. In this way, people in various circles will have peace of mind. It is also necessary to select some rightists and persons who abuse the CPC. The CPC will not collapse because of abuses. So we should know what kind of participation and intervention they represent. In handling these problems, the Central Government will set its eyes on major issues and not on trifles.

There Are Always Persons Who Want To Make Trouble, the Problem Is That We Must Not Let Them Create the Climate for That!

They are worried about changes, about intervention. What else? (Someone said: About disturbances) About disturbances? Intervention is necessary when there are disturbances. Not only the Central Government but Hong Kong residents will also intervene. There are always people who want to make trouble. The problem is that we must not let them create a climate for that. After saying this, can the problems emerging after the signing of the draft agreement be solved?

T.K. Ann: Disturbances may come from two aspects, the political aspect and the economic aspect. We should also pay attention to disturbances from the economic aspect.

Deng Xiaoping: Yes! When holding talks with the British, I said there are three worries. The first is the worry about the withdrawal of British capital.

The second one is the worry about great disturbances. If the reserve fund is drained and the Hong Kong dollar is devalued, there will be disturbances. Shall we not concern ourselves with the reserve fund during the transitional period? The third one is the worry about land. If all of the land is sold to cover administrative expenditures and to shift the burden on to the Hong Kong Government, shall we not intervene? In short, I cited five or six examples in the presence of the British. They responded in a cooperative manner. Britain is a great country. We should show due respect for their feelings. We pay attention to our manners.

As for the three worries, please explain them to Hong Kong's various enterprises and undertakings and to its 5 million people.

Another thing: Shall we assume the responsibility which is not clarified in the agreement? We cannot do this. So far as international treaties are concerned, no agreement has more details than the Sino-British agreement on the Hong Kong issue. While holding talks with us, Britain proposed the agreement be very detailed and particular. At last we agreed with part of their proposals and added quite a lot of details to the agreement but did not agree that all the minor details should be included. If an agreement is written in an excessively detailed way, one day we will find it unadaptable and demand some changes in it. All things are changing everyday. Is it justified to say that as a law, the agreement will not change? I told the British that if we include too many minor details in the agreement, we will find ourselves in an awkward position in the future.

In resolving the Hong Kong issue, the principle of our party and government is the concept of "one country, two systems," allowing that the Hong Kong people administer Hong Kong, and that the central authorities not dispatch cadres to Hong Kong and interfere in its affairs. However, we will station troops in Hong Kong as the embodiment of the PRC's sovereignty over Hong Kong. Last time I discussed this matter with our Hong Kong friends and dealt with the importance of stationing troops there. At first Britain was not so satisfied with this proposal but still accepted it in the end. I said: Aside from stationing troops there, what else can embody the sovereignty of the Central Government of the PRC over Hong Kong? At last they admitted that China has the right to station its troops in Hong Kong.

Why Should Troops Be Stationed in Hong Kong

Stationing troops in Hong Kong has another role -- namely to avoid disturbances. In this way, those who intend to create disturbances will think twice before taking action because of the knowledge that there are Chinese troops in Hong Kong. Even though disturbances do occur there, they can be settled promptly. If we send troops from Beijing only after disturbances have occurred, their repercussions will be too great.

T.K. Ann: We see what you mean.

Deng Xiaoping: Today I discuss this question not with you alone, but I seriously want to make this thing clear to more than 5 million people: Why should we handle this thing in this way?

As far as the agreement is concerned, we believe not only we but also the British will comply with the agreement and all the more believe that the majority of Hong Kong people will also comply with it. However, there will always be people who are not prepared for its full implementation. We should take this possibility into account.

What Counts in Surmounting Every Disturbance Lies in the Selection of Good, Qualified Personnel

Moreover, there are bound to be factors causing some disturbances, troubles, and uncertainties. To be frank, they do not come from Beijing.

However, they may exist in the Hong Kong community or certain international forces may cause them (they are likely to play some tricks). This possibility cannot be ruled out. Judging from the present situation, the international community's reaction to the "Joint Declaration" has been positive, and particularly the United States and Japan, which have the greatest interests in Hong Kong, have reacted fairly favorably. With reference to changes, there are very likely to be changes. What you all are thinking about is that changes must take place on the part of Beijing and not other authorities. As long as the people of Hong Kong close ranks and select good, qualified personnel to administer Hong Kong, there is nothing to be afraid of. This is mainly your own business -- although Beijing has to make the final approval of this matter, you are encouraged to select and recommend your officials. In this way, disturbance can be avoided and there will be no changes; and even if changes do occur, they will not be great ones and can be easily resolved.

Underground Criminal Societies Must Practice Self-Control

Here I would like to discuss two questions. One is that of underground criminal societies. I have said on many occasions that members of underground criminal societies are not all sinister and many among them are patriotic. The majority of them regard themselves as the descendants of the Emperor Huang and have self-respect in being Chinese. We must do persuasion work in this connection. It is reported that the way most of them conduct themselves is apparently good. Of course, persuasion work should be conducted among a section of underground criminal society members in order to persuade them not to be unruly in deed. Our general view is that underground criminal society members are not all sinister and the majority of them are good but they must restrain themselves in their actions and practice self-control.

It Is Allowed To Condemn the Communist Party and Not Necessary To Withdraw

The other is that it is the Taiwan forces that are very likely to create disturbances in Hong Kong. After the promulgation of the joint declaration, Taiwan did not recognize it. It seems that they had to say so. Their statement is, as I see it, of little consequence. Is Taiwan capable of interfering with this affair? Nevertheless, there is a practical problem with them in Hong Kong, namely that Taiwan has numerous organizations in Hong Kong. Our Director Ji said that they can continue to exist after 1997 but are not allowed to create confusion in Hong Kong. They can condemn the Communist Party and run newspapers to carry out their condemnations. The Communist Party cannot fall as a result of their condemnation. In action, however, they should be careful. They can propagate the Three People's Principles and whatever they like, but they should not propose "two Chinas." We will set no additional demands apart from those we mentioned above.

It Is Not Allowed To Propose "Two Chinas"

The question of two Chinas is an international issue rather than an issue between the mainland and Taiwan. As long as they do not depict the image of "two Chinas" in the international community, they can do all other things including condemn the Communist Party.

The KMT Should Adapt Its Activities to the New Situation

It is our belief that as we are all Chinese, we should keep to the nation's stand and safeguard the overall national situation and national dignity. On this basis they can carry out their activities and propaganda work in Hong Kong. What I mean is that they can do so in Hong Kong after 1997 rather than in the 13 years running up to 1997. It is said that the KMT is considering withdrawing from Hong Kong. There is no need for them to do so! Of course, they can decide of their own free will. If they genuinely understand the realities, it is my hope that they will adapt their stand and methods to conduct their activities to the changed situation. If this is called a change, then it should be welcome. This is a very real question. As for how the question should be handled, everyone is encouraged to ponder further for its solution.

Attention Should Be Paid to New Developments and New Problems

In brief, with the signing of the agreement, many new developments will surface. We must study new developments and resolve new problems as we advocated in the past. This is a new development and a new problem. Frankly speaking, we are also not clear as to what problems will crop up in the future, but if problems do emerge, we can resolve them in a fair and reasonable manner. As everyone knows, we have disapproved of dogmatism in the last few years. We so seldom have a chance to get together. Do you have anything else to ask or something you would like to know?

Everybody Wants To Return More Frequently To Look Around

T.M. Chan: Everybody wants to return more frequently to look around.

Deng Xiaoping: I suggest tourist parties be organized. They can be composed of people from all walks of life and have a look at various places throughout the country. It is extremely important to know about our country. You already know something about Tiananmen Square. (To Y.K. Ann) Of course, I don't mean you. You are all quite familiar with China. As far as many people in Hong Kong are concerned, they went to Hong Kong more than 30 years ago and things have changed significantly in China during the last 3 decades or more. They may come to look around and to see what has happened and changed in our nation. The tourist parties can be organized in various ways. Those who are affluent may cover their travel expenses by themselves and those who have difficulties in doing so will be given state subsidies.

We have a slogan that reads long live great national unity, haven't we? All people, no matter what political view they hold, including those who condemn the Communist Party, should promote great national unity. Hong Kong's prosperity and stability should be maintained precisely on this basis of great unity so that Hong Kong people can take over the administration in a smooth way in 1997. Of course, during the 13 years running up to 1997, they should participate in the administration step by step.

Liu Yiu-Chu: People are worried that the policy of "one country, two systems" cannot be implemented due to the mainland's interference. I hope when contradictions arise between the mainland and the Hong Kong people, the central authorities will be broad-minded in settling them.

Deng Xiaoping: The central authorities will not interfere in Hong Kong's affairs. This is a fixed policy. There will be no change in Hong Kong's existing system and lifestyle. The notion that the central authorities will not interfere in Hong Kong's affairs does not mean Hong Kong people will not interfere in their own affairs. We cannot say that all means and ways under the system are perfect. Compared with developed capitalist countries, Hong Kong also has merits and demerits. Is leading Hong Kong in developing toward a healthier goal not considered a change? The people of Hong Kong will welcome any change that helps Hong Kong develop toward a healthier goal. By the notion that the Central Authorities will not interfere in Hong Kong's affairs, we do not mean that everything in Hong Kong should not change. If the people of Hong Kong demand a change, it should be realized even if we do not wish it. What is most vital is that the socialist system remains unchanged. This is undoubtedly definite. Does the concept of "one country, two systems" not prevent a significant change? The changes which have taken place in the countryside are a significant change. A few days from now we are to convene a plenary session to discuss urban reforms. This is also a change. How to institute reforms in the cities is an earth-shaking change. The issue is whether things turn good or bad. This is a question concerning one's method of thinking. We must not reject changes because if we do so we cannot make progress.

T.K. Ann: Now 14 cities have been opened to the outside world and there is a plan to issue a special zone currency. Does this mean that the some 20 open cities will all issue their own currencies? In my opinion, the gap of prices between various cities should not be too big, otherwise, there will be chaos in currency circulation.

Deng Xiaoping: This is a good suggestion. We will not issue a new currency in the 20-odd cities. The use of special zone currency is to be confined to Shenzhen and Xiamen. This also serves as an experiment. If the experiment proves to be unsuccessful, we will scratch it. An experiment may not necessarily succeed. All experiments that have been proven by practice to be successful should be maintained; those proved to be faulty should be revised, and those proved to be a failure should be changed. This is our method of thinking in approaching everything. We must not think what we say and do is correct. We can also make mistakes. In the past Chairman Mao repeatedly stressed this point. This materialism.

T.K. Ann: Adherence to the policy of one country, two systems is helpful to the great cause of the motherland's reunification.

Deng Xiaoping: We are determined to adhere to the policy. It is well received by the international community that the idea of "one country, two systems" is a new concept proposed to the international community by China. It must be said that this is a strategic principle. To resolve international issues, there must be some new ideas. We proposed the idea of "one country, two systems" because we have the Hong Kong issue and the Taiwan problem. There is also the problem of "two Koreas" in the world. We have the problem of Diaoyu Island with Japan and we also have the problem of the Nansha Islands. These problems can be solved either through peaceful means or by force. If they are to be solved through peaceful means, there must be some new concepts. Hence we proposed the concept of "one country, two systems." I believe the concept will succeed and time will confirm this truth.

With the Notion of Macao People Administering Macao, When Will the Macao Issue Be Resolved.

Ng Wingno (member of the Macao "Legislative Assembly" and Chairman of the Exporters' Association): "When and how will the Macao issue be resolved?"

Deng Xiaoping: We would like to use the Hong Kong pattern to resolve the Macao issue side by side with that of Hong Kong. We did not disclose this in the past because we would not like to see the Macao issue affect other issues. Of course, the Macao issue will also be resolved according to the notion of "Macao people administering Macao" and the idea of "one country, two systems." However, which is better: To resolve the issue of Macao ahead of that of Hong Kong or to resolve the two issues simultaneously? (Deng paused for a while waiting for suggestions from others. All those present were pondering over the problem but no one made any answer.) I still would like to listen to your opinions. There is no hurry for you to give me an answer.

DIPLOMATS REPORT HUA GUOFENG IN BEIJING HOSPITAL

HK261214 Hong Kong Domestic Service in English 1000 GMT 26 Oct 84

[Text] High-ranking Asian diplomats in Beijing say the former Chinese Communist Party chairman, Mr Hua Guofeng, wanted to speak at the party plenum last week but was prevented from doing so. The diplomats say the designated successor to the late Mao Zedong was advised by his doctors not to attend the plenum. Mr Hua is still a member of the party Central Committee despite his virtual disappearance from Chinese politics. He is currently in a Beijing hospital, suffering from either heart trouble or from cancer.

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